

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 8, 1932

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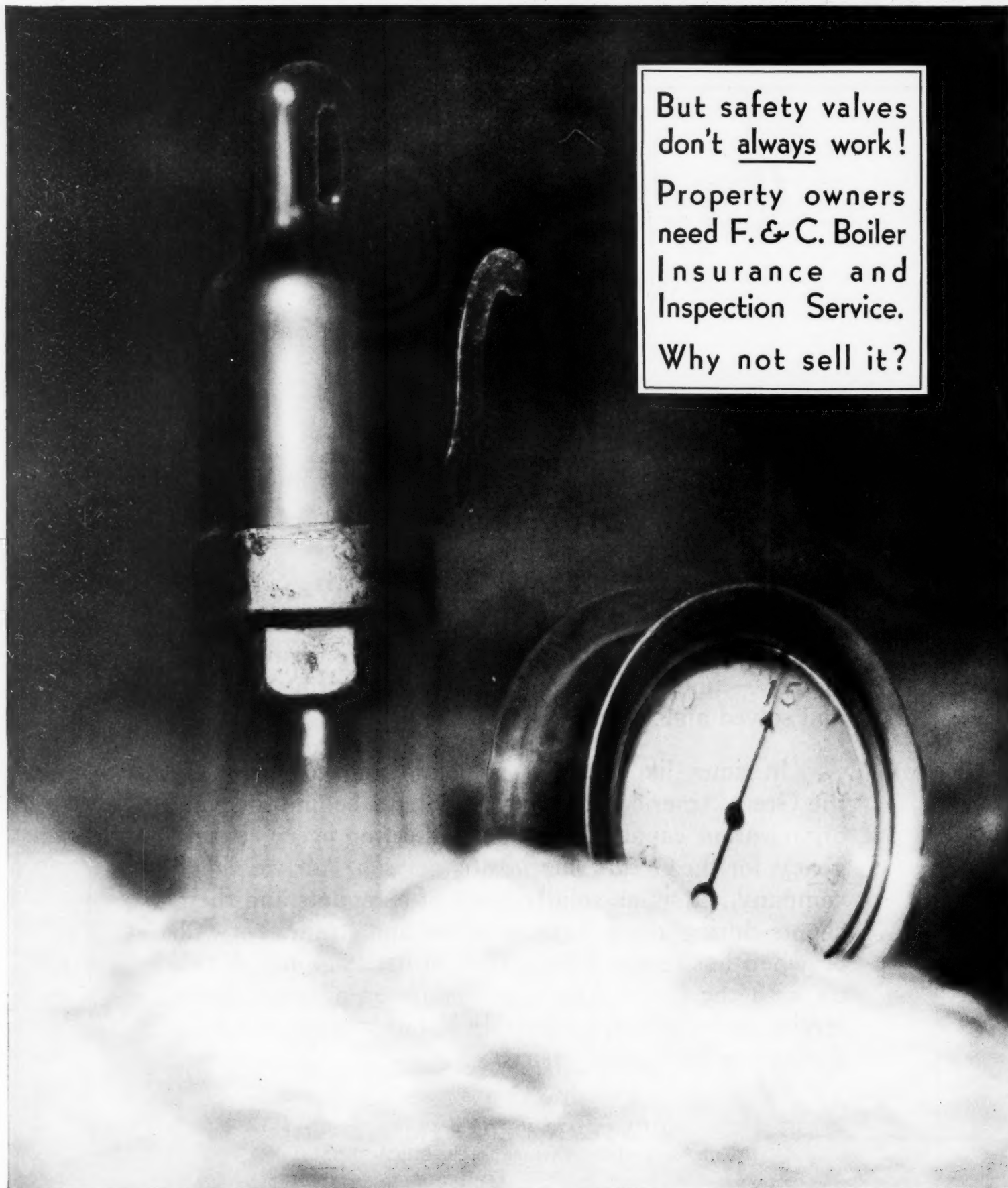
These are times of stress and strain. We are living in a most abnormal period. Disturbances and difficulties of almost every nature confront both companies and agents — unusual situations and problems must be met and solved almost daily.

In times like these it is comforting to agents of the Great American to know they have behind them an organization capable of properly meeting every contingency, for the Great American is never a "fair weather" company. It is as solidly back of its agents and their clients during these days of stress and strain as it will be when business will have righted itself again. A tie-up with the Great American assures an agent uniform service and support, not merely in fair weather but also during the days of adversity.

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The National Underwriter

Thirty-Sixth Year No. 49

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 8, 1932

\$4.00 Per Year, 20 Cents a Copy

Two Major Topics Before Convention

Security Valuations, Interlocking,
Main Issues at Meeting of
Commissioners

ALL CLASSES AFFECTED

Holding Company Operations Discussed
from Fire and Casualty Standpoint
as Well as Life

By C. M. CARTWRIGHT

NEW YORK, Dec. 7.—The National Convention of Insurance Commissioners will hold its next meeting at the Edgewater Beach Hotel in Chicago, June 1-3, 1933.

NEW YORK, Dec. 7.—At the December meeting here of the National Convention of Insurance Commissioners there were two major subjects, the question of valuation of securities for the Dec. 31 statements and next the abuses growing out of holding companies and interlocking devices, with particular reference to life companies. The issue, however, assumed a broader scope than was anticipated, as so many fire and casualty men were present, and by the fact that President Neal Bassett of the Firemen's of Newark fire and casualty group gave the most extended discourse before the special committee appointed at the Texas meeting to study the subject, Commissioner Brown of Minnesota being chairman. The committee gave an open hearing. It had proposed a synopsis of the recommendations submitted to it by those who read papers on the subject at the Texas meeting. This was:

Recommendations Submitted

1. Fire and casualty companies—
 1. Require writing company, in certain cases, to print on face of policy the name of reinsuring or holding company.
 2. Limit investment of assets in stock of other fire and casualty companies.
 3. Life companies—
 3. Prohibit control of life company by holding company or by another life company—or control of two or more life companies by same group of individuals.
 4. Prohibit investment by life company in stock of another life company.
 5. Prohibit investment by life company in stock of bank or investment company.
 6. Limit holdings of bank or investment company to 10 percent of stock of any life company.
 7. Prohibit control of life company through interlocking directorates between life company and bank and/or investment company.
- Commissioner Brown presided at the hearing. Julius H. Barnes of this city, who has come into insurance prominence through his affiliation with the Lloyds Insurance Company, being the amalgamation of three casualty and

Commissioners Vote to Retain 1931 Valuations

NEW YORK, N. Y., Dec. 7.—The National Convention of Insurance Commissioners at its session this week voted unanimously on its program for valuation of securities in the forthcoming Dec. 31 statements. There are some deviations from last year's course, which was voted at the meeting in Chicago. Under it the amortization of bonds used in life insurance valuations could be extended to fire and casualty companies. Some states do not provide for the amortization of bonds other than life. However, the commissioners of such states for the most part have recognized the desirability of such a plan. While this matter is not specifically referred to in the resolutions, the Chicago action stands. The commissioners discussed the valuation subject for some two hours in executive session. A sub-committee of the valuation committee worked on a draft and later the committee itself discussed the recommendation, Superintendent Van Shaick of New York being chairman. The resolutions are:

Supplemental Resolution

"Resolved, that for 1932 this convention hereby ratifies and confirms the action taken by its committee on valuation of securities pursuant to the recommendation of the financial adviser to the convention with respect to moderate and reasonable adjustments in the 1931 convention values for municipal bonds.

"Whereas, since the inquiry conducted last year by the National Convention of Insurance Commissioners as to whether market price quotations of stocks and bonds on any particular day are indicative of the fair value of such securities, exceptional price fluctuations of such securities on the exchanges have continued, and

"Whereas, close study of the range of markets over various periods, together with various tests as to the range of markets through times of prosperity and depression alike, up to and including Sept. 30, 1932, leads to the conclusion that the real value cannot be definitely determined and that the convention values of 1931 are indicative of a fair value of securities for inventory purposes at the present time, and

"Whereas, the trend of the markets

surety companies; the Kentucky Home Life, Missouri State Life and Shenandoah Life, spoke. Regardless of some abuses and failures, he stated, no activity is emerging from the storm with so great honor as insurance. It has retained public confidence to a great extent. He advised against rushing to the legislatures to try to correct a condition where the same end would be attained by voluntary recognition of certain standards. He declared sound public opinion should be created. Governmental activity, he contended, should not be increased.

Mr. Barnes asserted that the percentage of abuse and loss, due to the schemes complained of, had been small. He sees no harm in a holding company

(CONTINUED ON PAGE 30)

indicates a situation that over a period of years normal market conditions may reasonably be anticipated in which there will be willing sellers and willing and able buyers in a free rather than a forced market.

"Resolved, that the committee on valuations of the National Convention of Insurance Commissioners is of the opinion that under present conditions the convention values for stocks and bonds adopted for the annual statements due as of Dec. 31, 1931, reflect fair value for the inventory of such securities in the annual statements due as of Dec. 31, 1932, except as hereinafter provided. And that the same should be adopted as the 'convention values' for 1932.

"Resolved, that in cases where the condition of companies may require the immediate disposition of securities, it is the opinion of this committee that the discretion of a commissioner of insurance should be exercised to vary the general formula herein set forth so as to adopt the prices reflected by the exchanges.

"Resolved, that in the opinion of this committee securities should not be valued at more than the purchase price if purchased since June 30, 1931, unless such purchase was in effect a bona fide exchange of securities resulting in betterment of a portfolio, in which event the value herein provided should be allowed but not so as to exceed the convention value of the securities disposed of in connection with such purchase, and no such special value should be allowed unless such exchange is separately indicated in parts 3 and 4, schedule D, of the annual statement.

Stocks of Companies in Receivership

"Resolved, that inasmuch as a number of worthy industrial and commercial corporations are in emergency receivership and a number of corporate bonds are in default as to interest and/or principal by reason of lack of liquidity rather than by reason of lack of underlying value, stocks of corporations in receivership and bonds in default should be valued on the 1931 convention basis, less 30 percent of the difference between such convention value and the exchange quotations of Dec. 1, 1932, unless the value underlying such securities has been heavily depleted or has disappeared to such an extent that a lower value is required by reason of such special circumstances, and

"Resolved, that in the application of this resolution recognition should be given to the fact that convention values as herein defined are based upon the range of the market and are subject to the revision as the actualities of the market from day to day develop and that it be recommended that companies set up voluntary reserves to be designated in the annual statements 'contingency reserves.' That at regular periods thereafter the actual market value of securities, as reflected by the exchanges from day to day, be averaged in, so as to bring the range of the market used into accord with actual future developments, or that there be adopted some

Eleven More Are Fined by W. U. A.

Commission Violations in Detroit,
St. Louis, Kansas City, Min-
nesota Number 25

BASED ON ADMISSIONS

Association Sends Second Query on
Compensation Arrangements in Mil-
waukee for Side Line

Fines have been imposed by the Western Underwriters Association on 11 members for commission violations in Detroit, St. Louis, Kansas City and a number of small places in Minnesota. The number of violations involved is 25.

As in the fines against 22 members just recently for commission irregularities in Milwaukee, these new fines are based on answers to questionnaires, the members penalized admitting their guilt. This action represents progress in the program, supported by the Insurance Executives Association, to eliminate commission evils that have developed in various cities in the west. Questionnaires were sent to members of the Western Underwriters Association asking them to explain their commission arrangements in some 30 cities and to state whether they were paying excess commissions.

Supplemental Questionnaire

A supplemental questionnaire on Milwaukee is being sent to members, inquiring about compensation arrangements not covered in the original questionnaire. The new inquiry deals, among other things, with compensation on sideline business, including automobile. That is significant, in view of the fact that a committee of the Western Underwriters Association is now considering the question of having the W. U. A. assume jurisdiction over collateral lines, such as automobile, sprinkler leakage, hail and farm.

The small number of commission violations, exposed so far as a result of the questionnaire, is declared to be impressive, showing that they are confined to a few companies at a few places. The idea that violations are in any way general seems to have been eradicated. The fact that there are not a great many violations admitted causes the large majority of companies, which are regular, to feel that they are entitled to a pound of flesh from the violators. They feel that the violations are inspired by sordid motives rather than capitulation to an apparent necessity to cheat because of widespread breakdown of commission observance.

other method to accomplish such result, so that the difference between the convention values as herein determined and the actual exchange quotations shall be absorbed over a reasonable period."

Finance Companies in Recommendation

Insurance Proposals Outlined at Annual Meeting of National Group in New Orleans

WHAT COMMITTEE ASKS

Actual Value Form, Purchaser's Disability Protection, Liberalization of Conversion Coverage Advocated

A summary of suggestions advanced by members of the National Association of Finance Companies in answer to a questionnaire submitted by the insurance committee of that organization was incorporated in the report of the insurance committee at the annual meeting of the National Association of Finance Companies in New Orleans. C. H. Warrington is chairman of the insurance committee. Among the insurance men on the committee are Orville Davies of the General Exchange; H. P. French of Marsh & McLennan and W. S. Mays of the W. S. Mays Company, New York City.

The committee recommended that the actual value form be adopted and insisted upon in all cases because practically every finance company has been involved in controversial settlements due to the valuation question.

Rating System Criticized

The belief is expressed that the present system of rating automobile risks and the present method of allowing discounts or commissions to finance companies on a sliding scale is antiquated and is not justified by past or current experience.

Fire and theft contracts should be more explicit in definitions as to basic coverages, the committee stated. Most of the finance company contracts call for restricted forms of coverage, the committee declared. The \$25 deductible feature causes ill will, according to the committee. The finance companies should insist that theft contracts be broad enough to include statutory larceny, the committee stated.

The single interest collision contract engenders much ill will between the purchaser, dealer and finance company, the committee stated. The purchaser is given no protection for his equity. The committee recommended that one of the current forms of deductible insurance should be made a mandatory and uniform item in the finance charge of a time sales plan. The net cost of this coverage should be greatly reduced if all purchasers are included in the coverage because the selection against the insurer would be eliminated.

Simple, Liberal Forms

Simple and liberal forms of conversion insurance should be adopted, according to the committee. The finance company should not be required to show criminal intent on the part of the purchaser, the committee stated. This coverage cannot be considered by the finance committee as a note guarantee, but when the finance company has functioned in accordance with the terms of the coverage, it should be obligatory on the part of the insurer to attempt to locate the purchaser and return the car to the dealer immediately, not relying upon the possibility that the underlying collateral will be found sometime within the 60-day period.

Recommendation was made that contracts be drawn on the open policy basis, giving to the finance company protection against any and all overt acts beyond their control.

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Secretary Hiestand Is Also Chief Hiestand



JEAN C. HIESTAND

Jean C. Hiestand, who was recently elected secretary of the Ohio Farmers companies, has been chief of the LeRoy volunteer fire department for more than ten years but made his first run with the department recently when the smoke eaters were called out to fight a blaze in a farm dwelling near the Ohio Farmers home office. The fire was extinguished with small damage.

Chief Hiestand has two pieces of motor equipment, including a pumper, and a corps of 35 men in his volunteer company. Regular drills are held and from time to time, the squad is called out for duty. A number of fires have been successfully fought. And yet, until this week, the chief has always happened to be away from LeRoy when the siren sounded, leaving supervision of the department to an assistant chief.

This most recent fire originated in the basement of a farm home just outside the village limits of LeRoy when an oil stove exploded. The alarm was received at about 7:30 a. m. and was extinguished in short order by Chief Hiestand, so that Secretary Hiestand could attack his heavy Monday morning mail.

Mountain Adjustment Bureau Reports Operation Details

NEW SCALE OFFSETS DEFICIT

Find Average Cost Per Loss Is \$1.53 Less Under New Company Organization

DENVER, Dec. 7.—A deficit of \$2,000 for the first ten months of 1932 was shown by the mountain department of the Fire Companies Adjustment Bureau, Manager George Webster reported at the meeting of the Mountain Field Club Monday.

"A new scale," he said, "for the distribution of the expense figured on an hourly basis will, we hope, continue to reduce charges on both small losses and claims wherein there is only one company interested, thus throwing the expense of maintaining the bureau office almost entirely upon large claims in which two or more companies are interested."

Bureau Effects Savings

"An average expense on 4,354 losses handled by the Webster-Deeds and Southwestern Adjustment Companies (predecessors of the bureau) prior to Dec. 10, 1931, amounted to \$33.62, against \$32.09 average charge by the Fire Companies Adjustment Bureau on 2,198 losses up to Aug. 31, 1932, a saving of \$1.53. This saving was divided \$1.43 on expenses and 10 cents on the average service charge, while the average charge for 426 losses handled in September and October is \$51.67, against \$32.09, being an increase of nearly \$20. This is accounted for almost entirely by the Riggs hotel claim at Hobbs, N. M.

Results of New Effort

"Beginning with Sept. 1 an effort was made to distribute the cost on a basis more favorable to small claims, and on 61 fire losses under \$100 the average charge per loss went down from \$12.50 to \$10.06, and on 92 claims other than fire the average charge went down from \$10.02 to \$9.55, and on 61 fire claims between \$100 and \$500 the average charge went down from \$32.12 to \$30.40, and on 64 claims other than fire from \$30.59 to \$29.52."

Big Reinsurance Deal Is Effected

Home of New York Reinsures United States Business of Svea and Hudson

SKANDIA ALSO AFFECTED

Latter Company's Direct Writings Are Taken Over—Ballard Acts as Intermediary

NEW YORK, Dec. 7.—What ranks as the largest fire reinsurance deal effected for years was consummated here Dec. 5, when the Home assumed the entire outstanding United States business of the Svea Fire & Life of Gothenburg, and of the Hudson of New York. It likewise took over the direct writings of the Skandia of Stockholm, which will continue its long established and valuable reinsurance treaty contracts here.

The reinsurance premium involved in the arrangement with the Home approximates \$3,000,000. Sumner Ballard, president of the Reinsurers Underwriting Corporation, was intermediary in the reinsurance deal.

In United States Since 1884

The Svea, organized in 1866, entered the United States in 1884. It holds membership in the Eastern Underwriters Association, Western Underwriters Association, Southeastern Underwriters Association, Pacific Board, Rocky Mountain Fire Underwriters Association and National Automobile Underwriters Association.

It has a very high grade business and an excellent staff of agents, quite a number of whom are of Swedish blood and control a considerable amount of Swedish business. Its underwriting management always has been of a conservative type.

The Svea operates practically throughout the world. It has branch offices in England, Norway, Finland, Denmark and the United States. The Home is desirous of continuing the present agencies of both the Svea and Hudson, and its field men are already contacting with the representatives.

Under Management of Wennstrom

The Hudson was formed in 1918 with \$500,000 capital and \$1,000,000 surplus. In 1929 the capital was increased to \$1,000,000. It is affiliated with the same organizations as the Svea and has been managed in the same conservative manner.

The Svea and the Skandia are under the United States management of J. M. Wennstrom, who is also president of the Hudson.

President Theodor Wijkander of the Svea and Secretary C. Kalderen of the foreign department of the Skandia, who closed the contracts with President Wilfred Kurth of the Home, sail for Sweden on the "Gripsholm" Dec. 8.

The Skandia will confine its operations in this country to reinsurance. C. A. Nottingham, assistant United States fire manager of the Royal-Liverpool groups, becomes United States manager for the Skandia as well.

Operating extensively upon a direct writing basis at home, the Skandia restricts its activities elsewhere throughout the world to reinsurance. It is in strong financial position and through its association with the Royal-Liverpool combination should materially increase both its treaty contracts and facultative writings in the United States.

THE WEEK IN INSURANCE

National Convention of Insurance Commissioners votes to retain 1931 basis for valuation of securities. Page 3

Interlocking company operations big topic at insurance commissioners' meeting. Page 3

Western Underwriters Association imposes additional fines on members for commission violation in Detroit, Kansas City, St. Louis and some small places in Minnesota. Page 3

Report of insurance committee at the annual meeting of the National Association of Finance Companies contains a number of proposals, some of them radical. Page 4

New delinquent agency balance rule is adopted by Western Underwriters Association. Page 5

Company officials are confronted with major problems today in the field of investments, expenses and collections. Page 5

Insurance Federation of America holds annual meeting in New York. Page 25

Final report of receiver of Associated Employers Reciprocal prepared after eight years of liquidation. Page 27

United States business of Svea and Hudson reinsured by Home of New York; direct business of Skandia taken over. Page 4

The Illinois Brokers Association requests Superintendent Hanson of Illinois not to lend himself to further credit limitations. Page 6

Aetna Life will apply new bureau rates to renewals on accident and health business after Jan. 1. Page 26

Application of agents' qualification laws to accident and health agents opposed in resolution adopted by executive committee of Health & Accident Underwriters Conference. Page 25

Commissioner Sullivan of New Hampshire rejects application for compensation rate increases in his state and takes occasion to administer stinging rebuke to the companies. Page 25

Important conferences held in New York over workmen's compensation and contract bond commissions. Page 25

Pennsylvania supreme court rules in test case that cancellation notice does not apply to state funds deposited before notice was given, but companies win a point. Page 27

General Manager Roebor of National Council on Compensation Insurance reports progress at annual meeting. Page 27

Uniform Balance Rule Is Adopted

Western Underwriters Association Sends Instrument to All Field Clubs

NEW FEATURES INVOLVED

Action Taken in View of Decision Reached at Semi-Annual Meeting of W. U. A.

The Western Underwriters Association has approved a new delinquent agency balance rule, which is being sent to the various field clubs for adoption. This action was taken in view of the decision reached at the semi-annual meeting of the W. U. A. to put the full strength of the organization behind the balance rule and promulgate a rule, which could be adopted uniformly by all field clubs.

The new rule provides that on or before the 20th of each month, a representative of each company belonging to the field club shall report to the office of the field club the names of all agents having unpaid balances outstanding more than 75 days from the last day of the month in which the business was written, which if not paid would become 90 days outstanding after the last of such month. The report must be made on blanks supplied by the field club for this purpose and all questions shall be answered in their entirety. Members having no balances to report are required to file a written statement to that effect with the secretary of the field club. The manager of the Western Underwriters Association shall be advised immediately of the failure of any company representative to report.

Arrangements for Meetings

If, after the lapse of 10 days from date of receipt of the report, notice of removal of reported delinquency is not received or if any additional delinquency of the agent is reported in such time, that agency shall be considered as an agency with delinquency established and the field club shall at once call a meeting and send a notice to each member interested.

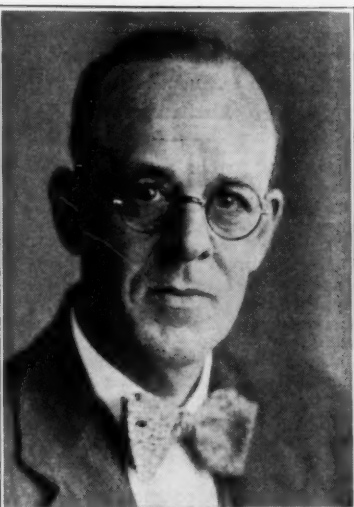
Where an agency is reported delinquent by a majority of the members represented in the agency, the meeting shall elect a chairman and secretary. The agency must be visited within 10 days and a complete financial statement of the agency on a form approved by the Western Underwriters Association must be obtained upon which to determine future action. The committee must again render a full report to all interested members at the time of or before the next regular field club meeting.

All Must Report

Where an agency is reported delinquent by only two members represented, no action is compulsory pending the receipt of the next report on the agency from members interested. When one company reports a delinquency, all other companies represented shall be asked immediately to report. If two or more members report the agency delinquent, then the interested members must act immediately. It is mandatory that all companies represented in the agency, including those which have no balance overdue, shall be represented at the agency meeting in person or by written proxy. Failure to be so represented must be reported to the manager of the W. U. A.

The chairman of the meeting must
(CONTINUED ON PAGE 34)

Saint Leaves Louisiana for North Carolina Post



JOHN D. SAINT

GREENSBORO, N. C., Dec. 7.—John D. Saint, manager Louisiana Insurance Society, Baton Rouge, La., has resigned to become executive secretary of the North Carolina Association of Insurance Agents. He is to begin his duties as soon as arrangements are perfected for a state office.

The appointment was made by the executive committee of the North Carolina association in a meeting at Pinehurst. At the state meeting held in Greensboro last month, Mr. Saint addressed the North Carolina association and told of the success reached in Louisiana by encouraging the local groups and securing their cooperation in a state program. For the last four years, Mr. Saint has been manager of the Louisiana Insurance Society and has also been a member of the Louisiana insurance commission.

Speculation as to J. I. Reece Continuing as Commissioner

NASHVILLE, TENN., Dec. 7.—There is considerable speculation in Tennessee as to the possibility of Commissioner J. I. Reece continuing in office notwithstanding the fact he has incurred the opposition of most Tennessee companies and many insurance men of the state. Governor Elect Hill McAllister, whom Mr. Reece violently opposed in the primaries, is expected to wield the ax vigorously and decapitate present office holders. Gossip has it that Commissioner Reece figured in an important political deal during the closing weeks of the campaign. Carroll Reece, Congressman-elect from the first district in eastern Tennessee, is an important and influential factor. He is a Republican and was elected in a very bad year for his party. Mr. McAllister's election as governor was aided undoubtedly by a large Republican vote for him in the first district. The report is that Carroll Reece was able to swing this vote with the understanding that "Brother Joe" was to remain in office as insurance commissioner.

Commissioner P. H. Wilbour of Rhode Island Resigns

The Rhode Island insurance commissioner, Philip H. Wilbour, has tendered his resignation to Governor Case. He has held office since 1917. The report is that State Senator H. T. Bodwell of Cranston will be appointed to fill Mr. Wilbour's unexpired term, which ends Jan. 31.

Company Executives Face Notable Problems Today

NEW YORK, Dec. 7.—The fire and casualty companies are moving along just as satisfactorily as can be expected, confronted as they have been and still are with momentous and trying problems and many harassments. The ordeal has been severe and the test an acid one. Nevertheless, where a company has followed a thoroughly conservative policy and is manned by a capable and experienced management, it should be encouraged. No one is interested in putting money into new companies with conditions as they are unless there may be some peculiar situation which would warrant the organization of a corporation. It would seem to be the very acme of wisdom to encourage those institutions now successfully in business that have given a good account of themselves and can be relied on to meet conditions courageously and intelligently.

Investment Issue Is Paramount

Perhaps the major problem before company officials centers about investments. The financial market is far from stable. The issue over the foreign war debt and the sagging of the English pound sterling will no doubt have an effect on world finance. It had been hoped that nothing would come up, at least between now and the end of the year, which would seriously affect the stock market in this country, especially since the presidential election did not cause any flurry. Companies having splendid bond issues in their portfolios have to meet the depreciation.

It is difficult to know just which way to turn along investment channels these days. A number of bonds defaulted and many enterprises have passed their dividends. There are other securities, however, that are holding up and in case of those that are conserving their resources and have had to pass dividends or default on interest payments, there is real equity in most of the securities of this character.

Have Aimed at Liquidity

Companies have endeavored to build up their liquid securities and keep an extra amount of cash in the bank. In case of extraordinary demand, most companies are well fortified. Their financial statements in comparison with those of a few years ago will look tattered and torn. The shrinkage has been terrific. Yet the public is interested in getting a true picture of a company's capacity to meet its obligations. Insurance companies' investments are deferred maturities. They are not called upon to liquidate at once. Their portfolios are diversified and while many investments are "sour" the public is interested primarily in the ability of a corporation to continue meeting its obligations and maintain a degree of solvency that will guarantee future operations. Executives are watching the financial winds carefully and are studying their situation with reference to them. Some companies holding securities of corporations that are in more or less distress are important factors in attempting to conserve as far as possible the interests of creditors.

One of the most difficult problems confronting companies relates to collection of balances. This is a subject touched on as soon as a visitor gets into conversation with an executive. It is something uppermost in his mind. He realizes that at this time of the year about all the time of a field man is taken in trying to get money. His route for the week is laid out in connection with agencies that are behind in their balances. The department and head office machinery is also used in the effort to collect these outstanding obligations. Much time is taken in

nursing along old accounts and endeavoring to salvage what can be gotten out of some of them.

Some companies are taking the bull by the horns and eliminating as fast as possible agents that cannot pay. In many instances it has been found that collections have been pretty well made from policyholders. The money has been used by the agents personally. As time goes on, companies evidently are realizing the fact that it does not pay to continue with local offices that are unable to stem the tide. This is forcing agents to get their own affairs on a cash basis. It is found often that a local agent has not adapted himself to new conditions. His office and living expenses continue just about as they have been. The discussion of the collection subject has undoubtedly brought to mind the necessity of doing something to have the net premium considered as a trust fund, belonging to the companies alone. Some program eventually will be worked out to put agents and companies in a different position than they now are. The free insurance practice has gotten too much headway.

Naturally with the shrinkage in values and the effort of companies to do business only with agents that can pay, there has been a sharp decline in gross premiums. This has sent the expense ratio up as well as the loss ratio. When the depression first hit the business the companies started shaving expenses. That seemed to be a major industry and every possible economy was put into effect. Then the pressure became stronger and still further reductions were made, some of them cutting deep into the budget items.

With lesser income, executives now feel that they cannot go much further with expenses although the expense ratio would seem monumental in comparison with what it was a few years ago. A further reduction might impair efficiency. However, there are some avenues that can be traversed yet. It is found, for example, that the so called organization or bureau expenses have gradually increased and un-

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Interlocking Committee Brings in Its Report

NEW YORK, Dec. 7.—The report of the commissioners' committee on the question of interlocking directorates and holding companies is: "Your committee formed to consider the question of interlocking directorates and holding companies hereby reports that it has considered many phases of the questions presented and has asked for public expression at an open meeting; that it is able now to make but a partial report. Your committee is of the opinion that the inter-relationship of companies, either through holding companies, interlocking directorates, stock ownership or otherwise, has at times led to the exchange or purchase of securities or other financial transactions by insurance companies for reasons primarily for the benefit of holding or affiliated companies rather than for the best interests of such insurance companies. This, your committee unreservedly condemns and recommends that this convention endorse such position. Your committee is not at this time able to present a definite program either of legislation or supervisory action but requests further time to make a more detailed report to this convention at its June meeting."

THE SATURDAY EVENING POST

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YOU CANNOT SIT AND GUARD THEM



JEWELRY, Furs, Musical Instruments, Cameras, Gold and Silverware—these are some of the valuable presents you may get on Christmas. You certainly don't want to lose them—yet you can't sit and guard them.

Furs are frequently laid aside—rings are left on wash bowls—thefts and hold-ups are not uncommon.

Alliance Insurance will dependably protect you against practically any loss wherever your valuables may be—at home, at the theatre, in check rooms, traveling or being shipped. The premiums are a small price to pay for the peace of mind they bring.

Ask your
ALLIANCE
Agent

Turning the activities of Santa Claus to the advantage of every Alliance Agent.



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

Illinois Brokers Request Leniency of Commissioner

PRODUCERS' WOES RECITED

Hanson Is Petitioned Not to Lend Himself to Further Credit

Limitations

President Arthur S. Schwartz of the Insurance Brokers Association of Illinois has addressed a communication to Superintendent Hanson of that state, setting forth some of the brokers' difficulties at this time and requesting that the department show the greatest consideration to brokers, delinquent in their balances. The brokers' association does not condone dishonesty, Mr. Schwartz stated, but extenuating circumstances should be investigated before condemnation. Mr. Schwartz' letter was prompted by a recent communication from Superintendent Hanson on the condition of agency and brokerage balances.

Much of the delinquency, according to Mr. Schwartz, is unfortunate and not deliberate. He expresses the belief that, for a year at least, companies should be granted the privilege of scheduling as admitted assets outstanding premiums not over 150 days old instead of 90 days. He states that insurance commissioners should not be drafted as credit men and collectors. Mr. Hanson was requested not to lend himself to any further credit limitation, at least until the depression has lifted.

Competition Is Fierce

Mr. Schwartz mentioned the difficulties with which the brokers have met such as competition of banks, trust companies, receivers, automobile finance companies, automobile salesmen, part-timers, labor racketeers, railroad ticket agents, newspapers that sell accident and life, fictitious fleets and large organizations that place business through their officers, furriers and warehousemen, and insurance cooperatives, large insurers that make direct overtures for business. Any action taken by the Illinois department to help the companies in the balance situation should be based upon the guarantee of discontinuance of such practices on the part of the companies, Mr. Schwartz stated.

The relationship between agent and company is contractual, Mr. Schwartz points out. The companies may demand satisfactory bond or securities from the agent. The appointment of too many agents, he said, results in the impairment of the established agents. A more restricted qualification law is therefore advocated by Mr. Schwartz.

Many of the agency and brokerage offices, according to Mr. Schwartz, did not cut salaries or discharge help and their overhead has been excessive. Many of them are faced with long term leases. Perhaps the theory of amortization might be extended to the producer, according to Mr. Schwartz.

In a letter to members of the brokers' association, Secretary J. H. Slagle, enclosing copy of the letter to Superintendent Hanson, stated that adverse legislation may be expected if insurance credit to the public is tightened up. Public resentment may be aroused

Company Representation Wanted

Progressive and Established general agency operating in California desires the representation of additional companies (Fire and Casualty), on a non-affiliated basis.

Security Agency Corp., 200 Bush St.
San Francisco, Cal.

Qualified Fire Insurance Manager

can find a place managing the fire department of a general insurance agency. Prefer man who controls some business.

Thomas E. Hanlon
First National Bank Building
Cincinnati, Ohio

through mandatory rules on collections and this may result in investigation of rates. The members are asked whether they are entirely satisfied with the brokers' qualification act and criticism of it is invited.

F. C. Thomas Appointed

F. C. Thomas has been appointed manager of the fire department of the Lumbermen's & Manufacturers Mutuals Agency of Chicago, according to James S. Kemper, president and general manager of that agency. Mr. Thomas has been with the Kemper organization since 1925, serving in the engineering, production and service departments.

C. C. Hill, who has had charge of the improved risk department at Chicago for several years, has been appointed manager in Milwaukee.

John M. Picton Dies

NASHVILLE, TENN., Dec. 7.—John M. Picton, 72, former president of the Kentucky Fire Underwriters Association, died at his home here after an illness of about four weeks.

Born in New Orleans in 1860, Mr. Picton moved to Nashville in 1870 and for some years in his early life was a government engineer on river and harbor improvement work. In 1895, he joined the Traders as special agent for Kentucky and Tennessee; in 1904 the American Central and in 1910 the Springfield with which he was connected until incapacitated.

Veteran Journalist Dead

One of the veteran insurance journalists of this country died Dec. 2 at Harrison, Ark., Clio Harper, who had represented THE NATIONAL UNDERWRITER 22 years in the southwest. Mr. Harper had been ill more than a year, being afflicted with what was termed "writers' paralysis," and a general nervous breakdown.

Strong Movement for Daniels

A strong influence has been set in motion in Texas to have Robert Daniels of Victoria appointed life insurance commissioner to succeed W. A. Tarver. Mr. Daniels is a member of the law firm of Daniels & Edwards, and was commissioner when Governor Ferguson was in office.

Actuary Prenner Resigns

M. R. Prenner, actuary of the North Dakota department, has been forced to resign and give up work because of serious illness. Because of his leaving the department, Commissioner Olsness was unable to attend the commissioners' meeting in New York this week.

Thulemeyers in East

Commissioner Thulemeyer of Wyoming and his bride are in New York City this week where the National Convention of Insurance Commissioners met, he being a member of the executive committee. Mr. Thulemeyer and Miss Kathryn Dayhoff of Cheyenne were married at College Springs, Iowa, where the bride's parents reside. Mrs. Thulemeyer is a registered nurse who has lived in Cheyenne for two years. Theodore Thulemeyer is a Republican and prominent in political affairs of his state. His term does not expire until 1935.

Wilson A. Pryce State Agent

Wilson A. Pryce, Columbus, has been appointed state agent for the Employers' Fire in Ohio. For eight years prior to 1929, Mr. Pryce was state agent in Ohio for the Allemannia and from 1929 until recently, he was state agent for the Empire State. He is the son of Charles A. Pryce, president of Charles A. Pryce Company agency in Columbus. Mr. Pryce will make his headquarters in Columbus with that agency at 9 East Long street.

Underwriters Equities in Offer for Three Carriers

NEW YORK, Dec. 7.—All of the stockholders of the American Colony, American Merchant Marine and Majestic Fire, all three of this city, have received a proposal from the Underwriters Equities for an exchange of their shares for those of the latter organization. D. M. Milton, son-in-law of J. D. Rockefeller, Jr., is president of the Underwriters Equities and represented purchasers of the Majestic Fire some months ago. C. S. Conklin, a director in the same organization, was connected with the Northern of New York for several years and has a particular knowledge of sprinkler equipped business.

Agents' Leaders Studying Survey of Branch Offices

NEW YORK, Dec. 7.—National Association of Insurance Agents leaders here this week began a study of the returns of the survey it is making on branch offices throughout the country by companies, cities and states. It is hoped to have all the material assembled so that a report can be made at the mid-year meeting.

Scott Nixon of Augusta, president Georgia Association of Insurance Agents arrived here Tuesday radiant and exultant. He is a brand new benedict. He came to use his persuasive powers on the National association officials to hold the mid-year meeting in his city. He has for the last two years been extolling its attractions, hoping to land the winter convention. There is some sentiment for a central location. At the meeting of National association leaders here a recommendation as to time and place will be made undoubtedly to the executive committee and a vote will be taken. If the meeting is held away from a central city, it will undoubtedly go to Scott Nixonville.

Eastern Underwriters Hold Annual Gathering

NEW YORK, Dec. 7.—Members of the Eastern Underwriters Association at their annual meeting here today are considering an extended agenda, following which officers will be elected. The assumption is that all present executives will be rechosen, namely: C. F. Shallcross, president; R. B. Ives and J. Lester Parsons, vice-presidents, and B. M. Culver, treasurer.

Automobile Underwriters Association Holds Meeting

NEW YORK, Dec. 7.—The annual gathering of the National Automobile Underwriters Association is scheduled for tomorrow, after which the staff committee of the organization will go into session in Brooklyn for several days and work out details of the program for the new year.

Keller, Andersen Agency Succeeded by Andersen

The copartnership of Keller, Andersen & Co., consisting of F. B. Keller and C. A. Andersen, was dissolved Nov. 30, by the filing of a petition in bankruptcy by Mr. Keller. Mr. Andersen is winding up the affairs of the former Keller, Andersen agency in Chicago.

The space in A-1524 Insurance Exchange, heretofore occupied by Keller, Andersen, has been taken over by Mr. Andersen who, in addition to his liquidating duties, will operate in his own name a class 1 agency at that location, under the title Charles A. Andersen & Co. The entire personnel of the former agency will be continued by Mr. Ander-

sen, who has taken agencies of the following companies for fire and allied lines, all of which were represented by the former agency: British Underwriters department of the Scottish Union & National, Eagle Star & British Dominions, Norwich Union, Pennsylvania Fire and Independence Indemnity for all casualty lines. Prompt and efficient service is extended to all agents and brokers.

Mr. Andersen has been an insurance man since 1904, starting as file clerk with the western department of the National of Hartford. He rose to assist-

ant examiner, and after 12 years went to the Royal's western department in Chicago as an examiner. Then he went with Eger & Barnett as counterman, later with George R. Hess & Co. as production man, and in January, 1923, became associated with Mr. Keller in the agency end.

Mrs. Belcher Carries On

Mrs. Kathleen L. Belcher, widow of Rudolph Belcher, who died just recently, has been appointed to carry on her late husband's work as binding agent for

facultative reinsurance for the Eagle Fire of New Jersey in Chicago. Mrs. Belcher handled this work during her husband's long illness and is well acquainted with the field.

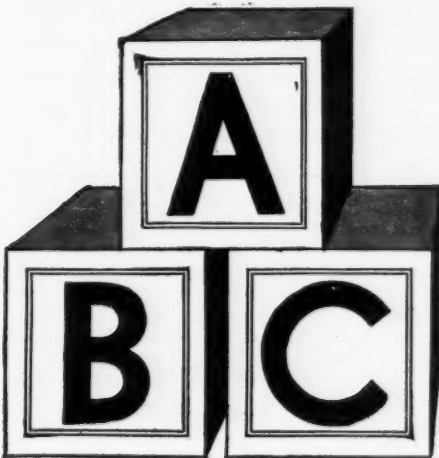
I. A. C. Dates Selected

The Insurance Advertising Conference has selected Sept. 25-27 as the dates for its annual meeting in Chicago next year.

A new book, "Freeman's Earthquake Damage & Earthquake Insurance" is sold by The National Underwriter, costing \$7.

MAIL PACKAGE	MARINE	MERCHANDISE IN TRANSIT (By Land, Water or Air)	MOTORCYCLE	PROFITS	RAIN	REGISTERED MAIL
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It's the A. B. C.'s of the insurance business that are counting in 1932—more than ever before. Everything rests on this foundation—




A • Adequate Ability to meet every obligation fairly and on time—the Hartford has never assumed an obligation beyond its ability to pay.

B • Bigger Business through the Comprehensive Coverage of Hartford policies, which make possible and profitable the sale of Individualized Insurance.

C • Company Cooperation with the Agent on individual problems of promotion and sales strategy.

Every agent of the Hartford will find 1932 an even better year in which to profit by the support of the Hartford. More than ever representation of the Hartford is an asset.



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RENT	RIOT and CIVIL COMOTION	SALESMAN'S SAMPLES	SPORTSMEN'S	SPRINKLER LEAKAGE	TOURISTS' FLOATER	TRACTOR	WINDSTORM
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BUSINESS INTERRUPTION	BRIDGE	AVIATION	AUTOMOBILE	ART EXHIBITOR'S
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COLD STORAGE IS FOR EGGS, NOT BUSINESS

YOU must keep your business moving. You can't put it into cold storage. And to keep it moving you must continue to make sales—to-morrow—next year. There is no way around it; you **MUST**.

And though it may not seem so **now**, your most important consideration is **next year's sales**, the sales toward which you must build now.

Continue to use, start to use, or increase your use of direct-mail advertising to open the door for your early follow-up calls. It is the least costly method of reaching all your prospects or any group of your prospects certainly and efficiently. **We'll help you.**

This cover-page copy, from *The Imp*, house publication of the Botz Printing Company, of Jefferson City, Missouri, has a convincing sales slant.

YES, WE'LL HELP YOU!

Just write in; name the cover or covers that interest you; and get the custom-tailored-for-your-individual-agency Direct-Mail Advertising Plan you need to open the door of present and future business.

Business

Up

Step

It has always been *our* business to help *your* business; and now it's a real *duty* that we take pleasure in performing.

North British & Mercantile Insurance Company, Ltd.

The Commonwealth Insurance Company of New York

The Homeland Insurance Company of America

The Mercantile Insurance Company of America

The Pennsylvania Fire Insurance Company

VIEWED FROM NEW YORK

By GEORGE A. WATSON

STULTZ TO SUCCEED MOWRY

When B. R. Mowry retires as manager of the Central Bureau of New York at the close of the year, he will be succeeded by Charles Stultz, who has been connected with the organization since its creation in 1927 and has been chief assistant most of that time. By virtue of this intimate knowledge of the workings of the bureau, preceded by years of association successively with a prominent agency, company and brokerage house of the metropolis, Mr. Stultz has a grasp of affairs such as no outsider could possibly possess and merits his advancement. In view of the growing interests of the bureau, Mr. Stultz will be aided in the direction of affairs by a casualty man whose identity will be revealed shortly.

KENNEDY WITH AMERICA FORE

Paul J. Kennedy, who was vice-president of the Public Fire until the re-insurance of that company's fire business by Corroon & Reynolds, has joined the America Fore organization and will be manager of the newly formed business development department. Mr. Kennedy was in charge of the brokerage and New York departments of the Public Fire.

The new business development department of the America Fore will be a place to which brokers can bring their problems and receive assistance in developing new business and rendering service to clients.

Mr. Kennedy started in the insurance business with Marsh & McLennan in New York in 1919. In 1924 he opened a branch office for that concern in Richmond, Va., where he remained for two years. Then he was transferred back to New York. He joined the Public Fire when it was organized in 1928 as secretary in charge of the brokerage department in New York, and in 1930 he was elected vice-president.

LIQUIDATION IS COMPLETED

Justice Wasservogel of the New York county supreme court has entered an order confirming the report of Superintendent Van Schaick as liquidator of the United States branch of Norske Lloyd of Oslo, Norway, and releasing and discharging the superintendent as liquidator. The order was entered after Superintendent Van Schaick had submitted the sixth and final report as liquidator.

Assets taken over by the liquidator when liquidation was started in 1922 amounted to \$1,889,027. During the period of the liquidation there was collected by the liquidator as profit on the sale of securities, recoveries, interest and other income \$1,443,965. Claims allowed and paid amounted to \$743,665 plus \$153,122 interest. The fees of examiners and expenses of liquidation amounted to \$287,872. The total amount of surplus remaining was \$2,146,859 of which \$2,121,561 had been transmitted to the domiciliary receiver of the Norske Lloyd at Oslo before Oct. 31 of this year.

KOECKERT BACK FROM COAST

F. W. Koeckert, president of the Commercial Union, has returned to New York after a visit to the Pacific Coast. He stopped in Chicago on his way east.

SIMPLIFIED SCHEDULE ADOPTED

A simplified schedule for rating mercantile buildings and contents outside the territory of the New York Fire Insurance Exchange has been adopted by the governing committee of the New York Fire Insurance Rating Organization and filed with the New York department. The new schedule has about only 20 items of credits and charges as compared with 80 in the old schedule. Under the new schedule, the rate will

not be affected unless a change in the building or an occupant introduces or eliminates a serious hazard.

MUST REPORT ON COMMISSIONS

Insurance companies of every class will now be required to report to the federal income tax department a complete list of all persons to whom commissions of \$1,500 or more are paid annually, and the same information must be supplied by general agents, under a ruling of C. M. Charest, general counsel of the bureau of internal revenue. This will put an additional burden on the statistical departments of the companies, which already have all the work they can comfortably dispose of. While there has been a question as to whether the act of 1928 applied to general agents, the issue was never ruled upon until it was raised a short time ago.

Large Insurance Loss Is Feared in Mail Robbery

The insurance loss in connection with the robbery in the loop of Chicago Tuesday of a mail delivery for the First National Bank of Chicago is expected to fall most heavily upon member companies of the Registered Mail Central Bureau. The assumption is that most of the mail was insured in private companies rather than with the government. The loss falls on the various shippers and the probability is that many of them carried insurance with members of the Registered Mail Central Bureau. Although the central bureau does not have an excess cover with London Lloyds, most of the member companies have an excess arrangement in London to cover losses in excess of a certain amount—probably in most cases about \$15,000. In the final accounting, except for the loss of Liberty bonds, the insurance loss will probably consist in the cost of having stolen instruments replaced. Value of the stolen securities is set at \$500,000.

Cats Meow Elects

Ed Frankman of St. Louis, was unanimously elected Most Royal Meow of the Great and Jovial Order of Cats Meow at the annual meeting Monday evening. Other officers elected are: E. A. Hook, Kansas City, royal keeper; Joseph Lawrence, St. Louis, royal recorder; W. S. Hocker, Kansas City, royal inside keeper, and Paul Murphy, St. Louis, royal outside keeper.

Canadian Manager Dies

Death claimed P. L. Monkman, Canadian manager of the Yorkshire and of the London & Provincial, at his home in Montreal, Dec. 5.

Knepper Field Club Speaker

COLUMBUS, O., Dec. 7.—R. M. Knepper, Columbus attorney, addressed the Ohio Fire Underwriters Association at its monthly meeting here Tuesday. He told of the activities of the Ohio Insurance Federation and discussed legislation that is likely to come up this winter. There have been reports that an effort will be made to put additional tax burdens on the insurance companies.

Now on W. U. A. Basis

The George Wonson agency at Waverly, Mo., has resigned its bureau companies and has resumed associations with the W. U. A. companies it formerly represented.

Miscellaneous Notes

G. L. Bullis and J. A. Wilson, formerly of the Lindstrom & Marshall Insurance Agency at Galesburg, Ill., have established the Home Insurance Agency in the Commercial building in Galesburg.

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INSURANCE THRILLERS

*A Book of 53 Sinister Mysteries
Centering About Insurance Frauds*

CONTENTS

THE PHANTOM GUESTS.....	CURTAINS FOR CURTIN
FLYING ARTS AND FLAMES.....	SUGAR ATTRACTS FLIES
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THEY FORGOT TO BURN THEIR	BRIDGES..... A HARD BLOW
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	by Leslie F. Tillinghast
THE UMBRELLA MURDER.....	THE DANA SUICIDE
	by Stuart Ayres
THE THREE-WAY GAME.....	LITTLE THINGS
	by Elsie Pfisterer
THE WAY OF ALL RACKETS.....	NEPTUNE'S REVENGE
	by Ferdinand Henry
BURNED EVIDENCE.....	by Edward B. Smith
THEY DO NOT ANSWER.....	by Ralph Hinckley
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EASY DOUGH.....	by O. L. Bennett
FAN WING PROFESSOR.....	by Leyden L. Scott
THE HAND THAT PLUNGED.....	by Fred B. Blend
THE ASTOR CASE.....	by Charles W. Ehlers
THE D'ANNUNZIO SCARF.....	by M. C. Baker
COUNTER ATTACK.....	by Robert Monaghan
CHECK AND DOUBLE CHECK.....	by Evelyn Ebert and J. W. Fitzpatrick

FOR EXECUTIVES who have many to remember and a limited amount of time and money for the purpose. Attractively printed on a rich antique paper and handsomely bound, this volume offers the perfect Christmas combination: An impressive present with a universal appeal at a nominal cost—and, happily, as accessible as the coupon at the bottom of this page.

OFFICE EMPLOYEES, hemmed in by details, dictation and dull routine, particularly will thrill to glimpses of the more glamorous side of insurance revealed in these scintillating stories.

FIELD MEN, too, will be keen about this compilation. Not only will it supply them with a unique fund of good yarns, apropos of this and that, but it will readily solve their own gift problem, simply and economically.

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POLICYHOLDERS AND PROSPECTS on whom they wish to make a particular impression, clerks and stenographers, friends and relatives, sweethearts and neighbors, doctor, lawyer, merchant, chief—in fact, anybody and everybody who enjoys exciting stories dramatically told.

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AS SEEN FROM CHICAGO

C. G. EBERTH & CO. MOVES

C. G. Eberth & Co., well known Chicago independent adjusters, have moved to more commodious quarters in room 1410 Insurance Center Building, 330 South Wells street. The move was necessary because of the increase in claims passing through this office.

HAIL OFFICIALS REELECTED

W. N. Achenbach, western manager of the Aetna, was reelected president of the Western Hail & Adjustment Association at the annual meeting. John Campbell, vice-president of the Home of New York, was reelected vice-president of the association and W. H. Lininger, western manager of the Springfield, was reelected secretary. No changes in forms or rules were adopted, largely because the members desired to avoid the expense of printing new supplies, the hail business having sunk to a low point.

GOSS MAKES PRESENTATION

I. D. Goss, farm manager for the America Fore companies, in behalf of

the farm insurance committee, presented to the delegates attending the National 4-H club congress in Chicago, 1,000 copies of "Prevention and Control of Farm Fires." The presentation was made at the closing meeting of the congress. The 4-H club consists of prize winning young farm people from various states and the meeting is held in Chicago in connection with the International Live Stock Exhibition. Attached to the booklet which was presented to the 4-H club members, was a label giving the names of the member companies of the farm insurance committee and expressing cordial good wishes for the boys and girls who are members of the club.

MOVIES ARE SHOWN

Moving pictures, demonstrating the progress of cheese manufacturing in the last century and showing some scenes of the Chicago world fair, were exhibited at the monthly luncheon of the Illinois Blue Goose Monday by R. E. Vernor of the Western Actuarial Bureau. Mr. Vernor impressed all with the dis-

patch with which he operated the motion picture machine and the educational remarks he made from time to time. Thomas E. Gallagher, retired western general agent of the Aetna Fire, was present and introduced his grandson, Thomas Earls, who is connected with the Marine Office of America in Chicago. The next meeting of the Illinois pond will be held Jan. 9.

TO APPOINT CHICAGO AGENT

The Union of Canton, whose farthest west agents are found in Ohio, will soon after the first of the year make a survey of the Chicago situation with the view of appointing an agent in that city. W. J. Roberts & Co., 71 William street, New York, are United States managers for the fire and marine business. W. L. Maillot, formerly vice-president of the Fire Association group, is in direct charge of the fire department as assistant manager.

JUDGE MCKINLEY IS SPEAKER

Judge Donald McKinley of the Municipal court in Chicago spoke before the Automobile Adjusters Association of Chicago at the monthly meeting in the Union League Club, presenting some very interesting ideas on prevention of automobile thefts.

PAUL BROWN OPENS OFFICE

Paul Brown, one of the most prominent aviation underwriters in the central west, intimate of many famous fliers and insurance man who has done much of his field work traveling by air, has organized and incorporated his own office, known as Paul Brown, Inc. Headquarters are in the Insurance Exchange in Chicago. An unusual feature is that the stockholders are made up exclusively from among Mr. Brown's clients. The office is writing all lines, specializing in aviation and all London Lloyds contracts. Mr. Brown has been appointed agent in Illinois of London Lloyds. G. H. Radcliffe, formerly superintendent of the

liability department of the Zurich's head office in Chicago, and more recently casualty manager for the American Surety's branch in that city, is secretary-treasurer of Paul Brown, Inc. The office, which opened Nov. 1, already has placed a large amount of premiums.

INSURANCE COMMITTEE MEETS

The insurance committee of the Illinois Chamber of Commerce will become more of a factor, especially in legislative affairs, if a program suggested at a special meeting of that committee is carried forward. The various insurance organizations in Illinois are considering the idea of each having two representatives to cooperate with the Illinois chamber's insurance committee and thus provide insurance with orderly channels through which to express its views.

There will be a meeting Dec. 15 of representatives of various organizations, at which the plan will be further discussed.

At the meeting of the insurance committee, a special subcommittee was appointed by Chairman John H. Camlin to consider legislative matters. Those appointed include W. N. Achenbach, western manager of the Aetna Fire; Henry Abels, vice-president of the Franklin Life of Springfield; H. A. Behrens, president Continental Casualty and Continental Assurance; C. M. Cartwright, managing editor of THE NATIONAL UNDERWRITER. A fifth member will be announced later.

Much of the discussion at the insurance committee meeting concerned the proposal to bring about divorce of the Illinois Insurance department from the department of trade and commerce and whether recommendation should be made to Governor-Elect Horner as to the appointment of a commissioner.

Following the meeting Chairman Camlin sent a bulletin to members, stating that proposal to separate the insurance department from the department of trade and commerce would meet

"NEITHER TOO LARGE NOR TOO SMALL . . ."

In these words—"Neither too large nor too small"—one of our agents explained his reason for selecting Kansas City Fire and Marine Insurance Company!

Having just left a period in American History when everything was measured in size, we believe this characterization of our company is a real compliment.

Not too big to lose the personal contact deemed wisely by agents as being so valuable—not too small to accept full financial responsibility and handle all business successfully!

It is always our aim, no matter how large we may grow, to preserve this feature of personal contact—for cooperation whether among nations, industries or individuals has no substitute.

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Chicago, Ill.

Kansas City, Mo.
Federal Reserve Bank Bldg.

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Representing as a Class I Agency of the Chicago Board of Underwriters the following companies:

British Underwriters Department of the Scottish Union and National

Eagle Star & British Dominions

Norwich Union

Pennsylvania Fire Insurance Company
for Fire and Allied Lines

and the

Independence Indemnity Company
for All Casualty Lines

These companies were formerly represented by Keller, Andersen & Co.

WM. J. MEYERS
Cashier

C. H. WUNDERLICH
Manager Casualty Dept.

HARRY W. MUELLER
Manager Fire Dept.

criticism on economy grounds and it is necessary only to slightly amend the insurance code to provide the insurance superintendent with full authority in insurance. Mr. Camlin suggests amending chapter 127, section 56 of the civil administration code, which reads, "The department of trade and commerce shall have power to exercise the rights, powers and duties vested by law in the insurance superintendent, his officers and employees," by providing that the insurance superintendent shall have sole and exclusive authority on all insurance matters and be responsible only to the governor.

Mr. Camlin advises that W. P. Robertson of the North America has been appointed representative of the insurance committee of the Illinois Chamber of Commerce at the general insurance meeting Dec. 15.

* * *

QUARTERS ARE REARRANGED

The Home of New York is rearranging most of its Chicago quarters. The Cook county department and the brokerage and service departments, which have been separated, will be installed in new space at 1723 Insurance Exchange, taking over the rooms formerly occupied by the Southern Surety, Herriker, Auerbach & Vastine and part of the space now being occupied by Cloyd, Gielow & Dudley. The Illinois State agency of the Home is being moved into Room 2011 Insurance Exchange, sharing quarters with the Cook county department of the National Liberty. The farm department remains in the Brooks building.

* * *

CHICAGO MEN IN NEW YORK

Allan I. Wolff of Chicago, chairman of the executive committee of the National Association of Insurance Agents; Manager Ernest Palmer of the Chicago Board; W. P. Robertson, associate

manager North American; John F. Stafford, Sun; Geo. D. Webb, C. H. Burras, H. A. Miller, North America, are in New York this week attending meetings. R. W. Troxell of Springfield also joined the delegation.

* * *

FIELD CLUB ANNUAL MEETING

F. B. ("Buck") Ingledew of the North British & Mercantile group was elected president of the Cook County Field Club at the annual meeting Tuesday night. A. J. Casey of G. A. Mavon & Co. who has been secretary was elected vice-president, and A. H. Wishart of the America Fore fleet, secretary. The terms of five members of the executive committee expired. Those named to fill the vacancies were John Butt of the America Fore, retiring president; Leslie Peterson of the Sun, Fred Miller of Crum & Forster, Walter Sheldon of W. A. Alexander & Co., and John Bisbee of Fred S. James & Co. The club was reported in sound financial condition with substantial balance in cash.

An innovation was installation of the new president immediately after his election. Mr. Ingledew announced that the next meeting will be at the Hamilton Club Jan. 9. Maj. Frank Hallenback, a world war officer, will tell something of the spread of communism in this country. Mr. Ingledew urged that the field men increase, if possible, their efforts toward cooperation with class 2 and 3 agents in the county.

Before permitting President Ingledew to assume office, a special "investigating committee" composed of E. B. Vickery, secretary America Fore fleet; C. M. Hayden, vice-president Glens Falls, and Harold Hilton, manager suburban department, Critchell, Miller, Whitney & Barbour, catechized him in fun, requiring all questions be answered "Yes or No." A fine entertainment program completed the evening.

NEWS OF THE COMPANIES

Affiliates with Lumbermen's

Glen Cove Mutual of New York Becomes Member of Kemper Group—New Officers Named

Affiliation of the Glen Cove Mutual with the Lumbermen's Mutual Casualty of Chicago is announced by John C. Baker, chairman of the executive committee of the Glen Cove. Under the plan adopted, James S. Kemper, president of the Lumbermen's, has been elected president of the Glen Cove; James W. Townsend, former president, and H. G. Kemper are vice-presidents; Karl E. Greene continues as secretary and managing underwriter, and James T. Haviland of Philadelphia becomes treasurer.

The Glen Cove is one of the oldest companies in New York State, having been organized in 1837. For many years its operations were confined to Long Island. In recent years it has materially expanded its operations and now does business in 24 states, with insurance in force in excess of \$80,000,000.

Commenting on the new arrangement, Mr. Baker said: "After careful consideration by the executive committee and directors of the Glen Cove Mutual, it was decided that the business of our company could best be conducted in cooperation with a group of mutual companies having a nation-wide organization and service facilities in all of the states in which our company operates.

"The Glen Cove will continue to operate from its home office in New York."

Pearl Hearing Dec. 14

LANSING, MICH., Dec. 7.—The Michigan department will hold a hearing Dec. 14 to consider the charge that

the Pearl of London has been writing direct business in Michigan, although it possesses only a fire reinsurance license. Department officials say they have two fire policies issued on farm buildings near Lansing as evidence.

Miscellaneous Company Notes

The business of the **Union Mutual** of Mansfield, O., has been reinsured by the Lumbermen's Mutual.

The **State Automobile Mutual** of Columbus, O., has entered Virginia to write general automobile lines. Principal office will be at Bristol in charge of F. B. Henry.

Rochester Board Elects

T. A. Sharp was reelected president of the Underwriters Board of Rochester, N. Y., at the annual meeting Dec. 6. Louis Hawes was reelected executive secretary and treasurer, for his seventh term. Mr. Sharp is starting his third term. L. C. Hock was elected vice-president, succeeding E. A. Paviour. Mr. Hock, R. A. Duffus and C. C. Champion were elected directors for three-year terms, representing agency membership; A. J. Bamann for three years, representing general membership, and A. H. Lord of Honeoye Falls, for one year, representing the Monroe county division.

Maxwell Halsey, traffic engineer National Bureau of Casualty & Surety Underwriters, spoke for safety courses in high schools. Chief of Police A. J. Kavanaugh promised cooperation. Mr. Halsey approved the board's plan for a central information bureau for agents, which it is expected among other things would eliminate "free insurance."

Silver service medals given in appreciation of 25 years' continuous representation of the **Home** of New York have been awarded to F. P. Baird, Sedalia, Mo., and G. L. Barker, Westville, N. J.

During the Last 18 Years

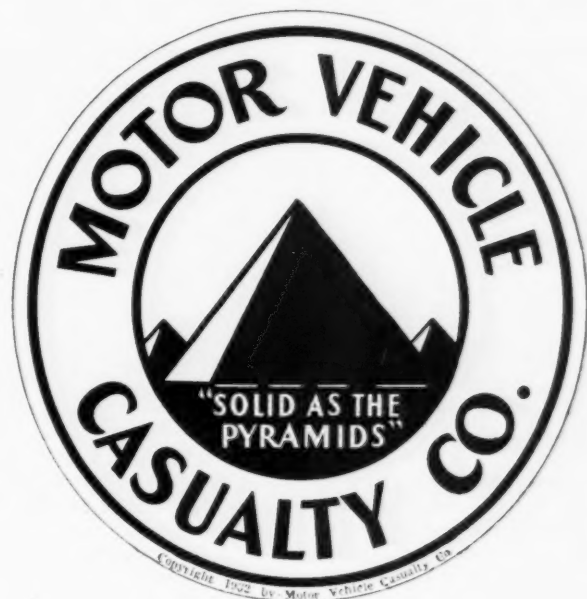
this organization has continually personified

Prompt and full payment of just claims

Cooperation with brokers and agents

Service with efficiency and courtesy

Sound protection



Home Office

223 W. Jackson Blvd., Chicago, Illinois
A STOCK AUTOMOBILE COMPANY

THE NATIONAL UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati, and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; W. A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

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Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price \$4.00 a year; in Canada, \$6.50 a year. Single Copies 20 cents.
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$10.50



Keeping Down the Requirements

Nor in many years has the responsibility on state insurance commissioners been so heavy or far reaching. The problems presenting themselves are delicate and intricate. The question of investments alone is the major one and to be fair to all interests demands most intelligent and far seeing consideration. While commissioners naturally want to protect the companies themselves and their organizations, the primary object is the proper safeguarding of policyholders. A just decision as to the valuation of securities in a way that will present a true picture, demands their earnest consideration. The scales are nicely balanced. It would be an easy manner to do an injustice.

In connection with these parlous days company officials naturally have their problems of a momentous nature. They are harassed on every side. They need all the encouragement that can be given. It requires the utmost of one's ability, knowledge and foresight to keep the craft headed straight.

It seems to us, therefore, that the commissioners should lighten the burden as much as possible. They can do this by not making unnecessary requirements for this kind of information or

that which really has no great bearing on solvency. After all, the commissioners are concerned primarily with company solvency. Their great duty is to see that solvency is maintained. The insurance business is one involving innumerable minutiae. It is impossible to get away from the multitudinous detail. After all, the business,—life, fire, casualty, marine—deserves great credit for keeping its mechanics in such excellent shape. Thus far there has not been much slipping of the cogs. The machine has moved along remarkably well.

In some cases there are supervising officials who demand more and more information, some of it largely extraneous. Commissioners often feel that it is incumbent on them to delve into the internals of company management and to see to it that certain practices and rules are observed. They can force on the companies much extra expense in making unnecessary requirements. This is not time to place additional burdens on companies in the way of requiring extra information. In cutting down the requirements, the commissioners can do something to reduce the present expense ratio.

Selection by Agents

A COMPANY executive said the other day that in the appointment of agents he would make as a requisite the type of men who would select their policyholders and business with the thought in mind that they would have to pay out their own money for claims. That is, an agent would be so careful in his selection that he would not voluntarily

take undue chances on a policyholder. This is undoubtedly a very firm foundation on which to stand. After all the best selectivity in many respects and especially from the moral standpoint comes from the community where a policyholder lives. A man who has a question mark after his name is not a good risk for any sort of indemnity.

PERSONAL SIDE OF BUSINESS

Henry Johnson of Edgerton, Wis., one of the best known agents in his state, died Monday night. He was 68 years of age. He had many friends in executive rank, among the closest being President Charles W. Higley of the Hanover. Mr. Higley, W. K. Maxwell, assistant general agent in the west, and John Rygel, superintendent of agencies, and A. F. Powrie, manager of the Fire Association, are planning to attend the funeral, which will be held at 1 p. m. Thursday. Mr. Johnson controlled a considerable volume of tobacco business. He was active in association affairs.

Freeman Wilson, Ohio special agent of the Merchants of Rhode Island, who suffered a stroke some weeks ago, has entered a hospital in Columbus. His condition is regarded as serious.

The marriage of Harriette Eleanor Carr to Scott Nixon of Augusta, Ga., has been announced by Mrs. Harry Edwin Carr. The ceremony was performed in Macon, Ga. Mr. Nixon is president of the Georgia Association of Insurance Agents and is one of the best known leaders in the agency ranks.

C. W. Bitting, 76, founder of the Biting & Foote agency, Wichita, Kan., died at his home there following several months of poor health. Mr. Bitting had not been active in the agency for ten years. His son-in-law, C. K. Foote, former president of the Kansas Association of Insurance Agents, took charge at that time. Mr. Bitting had lived in Wichita 55 years. He was one of the organizers of the Farmers & Bankers Life of Wichita.

S. G. Smith, pioneer insurance man of Syracuse, N. Y., died there at the age of 79. Mr. Smith entered the agency which his father, S. F. Smith, had conducted for many years and on the latter's death the son took over and operated the business until his retirement some years ago. In 1901 he served as president of the Syracuse Underwriters Association.

The home of Clyde W. Blackard, Indiana state agent of the New Hampshire Fire and Granite State, has been gladdened by the arrival of a fine baby boy.

C. F. Wilson of Denver, supervising executive of the mountain department of the Fire Companies Adjustment Bureau, and widely known throughout the country, was honored Friday by 80 insurance executives and field men who gathered at a dinner on his 77th birthday.

A telegram of congratulations from Paul L. Haid, president of the bureau, was read. Clarence Cobb presided as toastmaster and reminiscent speakers included E. P. Eppich, Fred Lanagan, Fred Williams, J. R. Gardner, B. M. McDonald, Paul Deeds, and P. J. Boyne, chief of the fire prevention bureau of the Denver fire department.

A beautiful thermos set with lacquer finish was presented to Mr. Wilson on behalf of the insurance fraternity by F. W. Standart. George Webster, manager of the bureau, arranged the dinner. Mr. Wilson in early days was a member of Cobb, Winne & Wilson, pioneer general agency, now known as Cobb & Stebbins.

W. R. Robins, who died at his home in Warrenton, Va. last week, was for years Virginia state agent for the old Virginia State, which was reinsured by the Great American. Previously he had been with the J. B. Moore & Co. agency in Richmond as a member of the firm. After the reinsurance of the Virginia State he moved to Baltimore, engaging in adjustment work there. A few years

ago he retired from active work, settling at Warrenton. He was born in Richmond, Oct. 15, 1866.

Newton F. Jones, former joint manager of the New England division of the Eastern Underwriters Inspection Bureau, died at his home in Natick, Mass., of bronchial pneumonia. He was about 62 years of age. After graduating from the Massachusetts Institute of Technology, he joined the New England bureau of United Inspection and in 1920 he became manager of that bureau. When the two New England bureaus in 1928 were merged into the present Eastern Underwriters Inspection Bureau, he became joint manager of the New England division. He retired as manager in 1930 but since then has been consulting engineer. He was an authority on chemical hazards.

Funeral services were held in Milan, Mo., Wednesday afternoon for Robert E. Daly, supervisor of examinations of the Illinois department, who died at Springfield of cardiac asthma at the age of 55. Mr. Daly had been connected with various insurance departments in examination work for 30 years. He had been connected with the Illinois department about two years. Before that, for 18 years, he was with the Missouri department and in his earlier days was connected with several other insurance departments.

John D. Pearson, Indiana special agent of the North America, is receiving congratulations on the arrival of a baby son in his home.

T. R. Dungan, Indiana state agent of the Fidelity-Phenix, recently attended the celebration of the golden wedding anniversary of his father and mother, Mr. and Mrs. C. P. Dungan, in Oak Park, Ill. The father is 77 and the mother 71.

L. B. Saunders, 55, president Saunders-Wilford Company, large Grand Rapids, Mich., local agency, died last week after a short illness after being stricken with heart and kidney disease complicated by pneumonia. His son, Louis B., Jr., is secretary of the agency.

C. A. Ludlum, retired vice-president of the Home of New York, is on a 12-day voyage to central American ports.

"No Witness," a mystery story, the author of which is Cortland Fitzsimmons of New York, has been dedicated to Edward Delano Lawson, western marine manager for the Fireman's Fund. Mr. Lawson's inspirational character is thus given recognition.

Walter F. Keene, insurance examiner for the state of Washington, died at Seattle at the age of 54 after an illness of several months. About two months ago he underwent an operation and had been in the hospital since. He had been in the Washington department since 1911, prior to that having been in the W. J. Landers general agency and before that had been connected with the Lion and Imperial.

George K. Trask, chief clerk in the western department of the Fireman's Fund, has retired after 51 years of continuous service with that company. He has served longer continuously with the Fireman's Fund than any man in the history of that company. Last year, upon the completion of 50 years with the Fireman's Fund, Mr. Trask was given a testimonial dinner and a trip to California. The day of his retirement last week he was given a luncheon by the executives in the western department and was presented with a set of golf clubs.

THE HOOPER-HOLMES BUREAU - 102 MAIDEN LANE, NEW YORK

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Loss Features Are Analyzed

Decrease in Building Values Must Be Taken Into Consideration in Appraising Results

A city which in dollars has a 20 percent lower fire loss in 1932 as compared with 1930 has made no real progress in reducing its actual property fire loss. Decrease in building values from Jan. 1, 1931, to date is from 17 to 23 percent. Contents values have decreased more rapidly. It is therefore conservative to state that a city must show better than 20 percent in its total fire loss this year as compared with 1930 in order to qualify for a real reduction in loss.

In cities like Cincinnati, where premium income has held up much better than in many other communities, the reduction from the 1930 premium total was 9 percent in 1931. The total fire loss in Cincinnati for 1931 was approximately the same as the fire loss in 1930 but the net result for the insurance companies was a 6 per cent increase in loss ratio. Thus when a city shows the same fire loss for 1932 that it showed in 1930, there is a marked increase in the insurance loss ratio in that community.

It will be necessary to keep this fact clearly before the public to avoid mistaken impressions about insurance company underwriting results at this time and also to avoid radical reductions in fire protection expenditures made on the theory that greater fire department efficiency permits a reduction in fire fighting forces and equipment. When the National Board and other agencies publish their fire loss statistics for 1932, these figures might well be accompanied by tables showing the comparative dollar value for the period of the past several years. This would enable those who are studying the loss tables to determine whether or not reductions in the dollar loss represents any real progress in cutting down property losses.

Still Opposed to Vacancy, "Other Insurance" Permits

CLEVELAND, Dec. 7.—Opposition continues against the new vacancy permit reducing insurance 25 percent. Agents are leaning more toward a permit for 90 days in excess of policy provisions at a fixed rate with no reduction in amount of insurance.

Opposition also continues against the new permit for other insurance in districts without fire protection. Companies seem to have a solution but they are dissatisfied with the permit. They know that agents exaggerate in stating the amounts of other insurance. Agents declare that total insurance means nothing unless the company also knows the total value. Agents are inclined to urge that companies insist on agents answering the questions on the reverse of the daily report estimating value and total insurance for their information but not as a part of the policy contract.

A meeting of agents with the Ohio Inspection Bureau will be called soon when changes of the above nature will be recommended.

Not to Impair Efficiency

While reductions must be made in the amount of fire department expenditures in Cincinnati for 1933, it is not believed that the reduction will cripple the effectiveness of the department. For the first time since the business decline,

Cincinnati will put into effect reduced fire department salaries. Only necessary replacement equipment will be purchased. This will probably be confined to fire hose. Cincinnati has adopted recently a fire hose specification, special for itself. This specification was adopted after hundreds had been prepared and rejected for one reason or another principally to avoid describing any particular hose brand.

Rate Credits Withdrawn

Beginning Jan. 1, the rate credit in Ohio on dwellings meeting certain requirements where located outside protected towns will be withdrawn and this property will take a class 10 rate. Since March, 1931, dwelling houses located within two miles of fire department protection and within 1,000 feet of a fire plug were recognized as having town class 8 protection and dwellings with somewhat less favorable protection were recognized as class 9. This rate credit is now to be withdrawn. The change is effective throughout Ohio and in many instances affects pretentious suburban homes.

Fremont Agent Dies

V. D. Butman, well known local agent of Fremont, O., died in the University hospital, Ann Arbor, Mich., at the age of 63. He started in the business at 20 years of age and built one of the best agencies in northwest Ohio. His son, C. V. Butman, and Louise R. Nangle, will carry on the business. C.

V. Butman has been in charge of the office for the six months during which Mr. Butman has been ill. When the elder Butman was in good health, C. V. Butman specialized in automobile and casualty.

Lorain Report Issued

The water supply of Lorain, O., is declared by the National Board to be adequate and fairly reliable. Available quantities are good in the central portions, but seriously inadequate in some outlying sections. The fire department is well equipped, but mainly dependent on call force. The fire alarm system is fairly adequate, but with some unreliable features.

Group fires are probable throughout the principal districts owing to the many mutually exposing buildings of fire resistively weak construction, but the water supply is adequate and the fire department should confine fires to the building or group of origin. Substantial outside aid is available. Severe local fires are probable in congested manufacturing districts where private water supply is not provided.

The gross fire loss for the past five years amounted to \$587,503, the average loss per fire being \$757, "a high figure," and the average annual loss per capita \$2.68, "a moderate figure."

Ohio Notes

A. W. Shell & Co., Cincinnati, has been appointed by the St. Paul F. & M. for general fire lines.

Charles S. Knecht, independent adjuster at Dayton, O., has recovered from his illness and is now back at work. Mr. Knecht made a remarkable recovery and declares himself to be in better health than for many years.

CENTRAL WESTERN STATES

Michigan Leaders Assemble

Agents from Entire State Gather at Annual Meeting of Grand Rapids Association—Livingston Talks

GRAND RAPIDS, MICH., Dec. 7.—Over 60 Michigan agency leaders attended the annual banquet of the Grand Rapids Association of Insurance Agents here last week.

Most of the guests participated in an impromptu speaking program in which Commissioner Livingston, who was a guest, came in for praise from several agency leaders for his highly efficient and unbiased conduct of the department. The commissioner himself talked briefly as did his deputies, H. B. Corell and R. M. Wade. J. E. Reault, chief examiner and actuary, and R. M. Morse, head of the licensing division, were other guests representing the department.

Past Presidents Attend

The state association was represented by President Charles E. Freese, Detroit, and the following former presidents: Clyde B. Smith, Lansing, also former president National association; P. J. Braun, Flint; G. E. McVoy and James Crosby, Grand Rapids; F. L. Winter, Muskegon, and Lee Dudley, Battle Creek. George Carter, Detroit, state conference committee chairman, and George Brown, Detroit, secretary of the state association, were present. Local boards represented were Detroit, Flint, Lansing, Pontiac, Kalamazoo, Battle Creek, Muskegon and Ann Arbor.

Indiana Fire Losses Lower

Decrease Reported Both in Total Loss and Number of Fires in Spite of Depression

INDIANAPOLIS, Dec. 7.—Fire losses in Indiana for the fiscal year recently ended and the number of fires both were much lower than the preceding year, according to the annual report of State Fire Marshal Hogston. Total losses were \$6,678,061 as against \$8,102,677 the year before. Only in the rural communities did the number of fires increase, being 1,843 against 1,813. In both larger and smaller cities the number of fires showed a marked decrease, and in all three classifications the losses were much lower.

Losses Are Analyzed

Fire losses in cities of more than 5,000 population were \$1,926,116 against \$2,721,957 the year before. In cities under 5,000 they were \$992,248 against \$1,148,018. The rural fire losses for the year were \$3,759,697 against \$4,232,702.

In view of economic conditions during the last year, this decrease in loss is phenomenal, according to Mr. Hogston. "There is no doubt there were hundreds of 'set' fires we could not trace down," he said. "General conditions made this a certainty. For example, under the classification of fires of unknown origin, 47.49 percent of the entire loss suffered in Indiana was from this origin. Many of these fires were incendiary. Had conditions been better, there is no doubt in my mind that

the 'unknown origin' fires would have been much lower."

Grand Rapids May Set Record

GRAND RAPIDS, MICH., Dec. 7.—With only a month to go, Grand Rapids is in sight of an all-time low fire loss record despite a setback in November, when losses totaled \$23,027, heaviest of the year. The total loss to Dec. 1 was \$90,894 or about 54 cents per capita. One business building fire accounted for \$19,725 of the November loss.

No Definite Rule on Bankrupts

LANSING, MICH., Dec. 7.—There will be no attempt by the Michigan department at this time to lay down a definite rule excluding voluntarily bankrupt agents for relicensing, department officials said this week. It is conceded that such a rule could not be successfully maintained in all cases as circumstances in instances of this sort are frequently at wide variance and a rigid application of such a rule would mean injustice. The possibility of a conflict with the courts is also seen in view of some decisions as to the status of a discharged bankrupt. Taking all of these considerations together, it has been decided that decisions as regards licensing will be made on an individual basis as cases arise.

News of States in the Northwest

Would Change License Date

Commissioner Mortensen May Recommend Later Time for Agents—Codification Bill Up Again

MADISON, WIS., Dec. 7.—Commissioner Mortensen probably will recommend changing the date for issuance of agents' licenses from March 1 to a date one or two months later. Licenses are now issued at the same time that financial reports of companies are due, and if the commissioner should refuse to renew a license for a company he would be forced to withdraw licenses issued to its agents. Mr. Mortensen favors issuing agents' licenses either April 1 or May 1.

The massive codification bill vetoed by Governor La Follette in the 1931 session will be introduced again in the 1933 session as a thorough revision of the state insurance laws. The bill will include amendments to meet the governor's objections.

Mr. Mortensen must also submit a recommended draft of a new standard fire insurance policy to the 1933 legislature, under orders of the 1931 legislature, which will give the policyholder more advantages. A hearing was recently held in this matter.

Protest New Warehouse Rule

MADISON, WIS., Dec. 7.—The Wisconsin tobacco pool, large farm cooperative organization, protested a change of method of insuring goods stored in warehouses at a hearing before Commissioner Mortensen.

The Fire Insurance Rating Bureau has issued a rule that hereafter 75 percent of the full premium on the amount for which the stored goods are to be insured must be paid, and settlement for losses and for reduction of goods on hand be made only at the end of

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FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL
 \$ 9,397,690.00

Organized 1855

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NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

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\$ 1,000,000.00

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THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

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THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

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UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

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\$ 2,000,000.00

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COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
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Minnesota Field Veterans Meet

ST. PAUL, Dec. 7.—When the tom-toms were beaten at the annual roundup of Pee-Quack-osh-tay-gwan, Minnesota organization of old-time field men, more than 30 braves joined in the dance around the camp fire.

The organization was started 17 years ago by a group of field men, all of whom at that time had been in the Minnesota field ten years or longer. Every year since then they have an annual dinner. Each member has an Indian name. T. J. Lilly of the Continental is sachem. Several of the original members are now retired from active service.

Don C. Lewis Is Endorsed

Don C. Lewis, who was commissioner in South Dakota from 1927-1929, is endorsed for that office by the South Dakota Life Underwriters Association.

Wood County, Wis., Cuts Cover

The Wood county board of supervisors, meeting at Wisconsin Rapids, Wis., approved the program of its insurance committee and authorized it to

proceed with reductions in fire and tornado insurance coverage on county buildings. The committee stated that the value of the properties had depreciated materially the past five years. Fire coverage will be reduced from \$733,000 to \$423,000 and tornado from \$633,000 to \$285,000, based on replacement values of the buildings.

Oshkosh Meeting Dec. 13

The Insurance Underwriters Association of Oshkosh, Wis., has invited field men of that state to its annual meeting Dec. 13. C. W. Konrad is president of the association; F. L. Conroy, vice-president; Dan Harmon, Jr., secretary. Myrtle B. West is a member of the executive committee in addition to the officers.

Madison Board's Christmas Party

The Madison (Wis.) Board will hold its annual Christmas party Dec. 13. P. O. Fish of the Fish & Schulkamp agency heads the committee in charge of arrangements.

P. C. Schlytter, head of the P. C. Schlytter & Son agency, Wittenberg, Wis., died there recently. He was associated with G. Schlytter in the agency.

IN THE MISSOURI VALLEY

Consider "In and Out" Rule

Revision Proposal Is Before Hutchinson, Kan., Board—Special Committee Drafting Changes

HUTCHINSON, KAN., Dec. 7.—A revision of the "in and out" rule is being considered by the Hutchinson Board. President Charles Long has appointed a special committee to draft new rules. It is proposed to eliminate "underwriters" if the parent company is represented, and also to discourage brokerage with agencies outside the board.

The Hutchinson Board held its annual ladies night party last week, with 64 present representing the 16 member agencies. Guests were Fire Chief Joe Bennett, F. T. Priest of Wichita, national councillor; W. J. Bauerle and A. E. Smoll, president Wichita Insurers. Bert Mitchner, former president of the Kansas Association of Insurance Agents, was toastmaster. Mr. Priest made a short talk and Mr. Smoll

showed several reels of motion pictures taken at the last two picnics of the Wichita Insurers.

Postpones Loss Payments

The Nebraska National, Omaha mutual, is sending out notices to loss claimants that because of the difficulty in collecting premiums from farmers, many of whom have arbitrarily taken a holiday from debt paying, it will be necessary to postpone payment until Dec. 20. Under the circumstances officers of the company are merely urging payment of a third of the premium notes, and say it would be useless expense to attempt to put the notes into judgment.

Mutuals Form Syndicate

Six mutual companies are operating as a syndicate in Cedar Rapids under the title of the Mutual Fire Underwriters soliciting a select class of business in Iowa. Homer W. Carley is manager of the production department; Orie S. Imes is special field representative and C. R. Armentrout is assistant secretary.

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treasurer. The companies in the group are the Preferred Class Mutual of Cedar Rapids, Grain Dealers National Mutual of Indianapolis, Millers Mutual of Alton, Ill., Millers Mutual Fire of Ft. Worth, Millers Mutual Fire of Harrisburg, Pa., and Western Millers Mutual Fire of Kansas City. The pool advertises that it will write a general line of fire and tornado on buildings and contents, including the larger up-to-date manufacturing plants, mercantile buildings, schools, churches, government, municipal and county buildings and contents.

Garlichs Succeeds Fellison

Loren W. Garlichs was elected president of the St. Joseph (Mo.) Underwriters Association at the annual meeting to succeed W. H. Fellison, who becomes chairman of the board. W. E. Thompson is the new secretary and O. O. Weakley was reelected treasurer. Other members of the board of directors are Leo V. Anderson, Frank Hanna, C. M. White and H. H. Powell. The principal speaker at the annual meeting was L. A. Kessberger, manager of the Missouri Inspection Bureau.

Contract for Rural Protection

WICHITA, Dec. 7.—Contracts for fire protection to eight townships adjacent to Wichita have been approved by the city commissioners and ordinances passed. These contracts will enable the Wichita fire department to operate outside the city limits and the drivers of apparatus and the chief will be protected against liability should they be involved in an accident. Since the last session of the Kansas legislature passed a law permitting such contracts, many cities are refusing to answer rural calls unless such contracts are made, as the attorney general has ruled that the drivers and fire chief would otherwise be personally responsible for accidents.

Hold "Insurance Frolic"

The third annual St. Louis "insurance frolic" under the auspices of the St. Louis Court of the Cat's Meow, was held Monday evening. It was officially endorsed by the Missouri Insurance Council and the Fire Underwriters Association of St. Louis.

Snyder on Boy Scout Council

Howard Snyder of the Smith, Stone & Snyder agency of Wichita, chairman of the executive committee of the Wichita Insurers, has been appointed one of three members of the executive council of the Wichita Boy Scouts in place

of the usual scout executive, thus saving the salary of a chief executive, as the council members serve without pay. Mr. Snyder has been active in Scout work for many years.

Hail Fund Advocate Back

TOPEKA, KAN., Dec. 7.—It appears certain now that the fight for state hail insurance legislation will appear in the coming session of the Kansas legislature. W. A. Doerschlag of Ness county, who submitted the proposal to the legislature four years ago, is returning to the legislature next year. The state hail insurance bill was passed by the house four years ago and died in the senate as it did not reach that body until too late to be given consideration. The bill creates a hail insurance commission which collects the premiums and pays the losses.

Settle Hail Mutual Claims

The district court at Lincoln has authorized M. Witzenburg and F. A. Wood, special agents of the Nebraska department, to take all necessary steps to compromise and settle all claims for hail insurance and the sale of all premium notes of the Lincoln Hail, now held as collateral by a Lincoln bank. Some time in January the policyholders will be given an opportunity to vote whether to continue the corporation. Its organizers are now all out of it.

Thad C. Carver Dies

Thad C. Carver, prominent banker at Pratt, Kan., and a director of numerous financial organizations, including the Preferred Risk Fire of Topeka, died there last week. Clyde W. Miller, president of the Preferred Risk, was one of the pallbearers.

Wayne Agent Gets State Post

Phil F. Kohl, former local agent at Wayne, Neb., has been appointed head of the bond registration department of the Nebraska state auditor's office, under the newly-elected auditor, W. B. Price.

Blue Goose Hears Deputy Fire Marshal

At the regular meeting of the Omaha Blue Goose Deputy State Fire Marshal Horace Davis urged that more attention should be given Omaha as regards possible arson cases. City Fire Commissioner Roy Towle was also a guest.

The Kansas Blue Goose held a dinner-dance at Topeka Dec. 6. Bridge tables were available for those who did not care to dance. Curtman Maupin of the Home and J. F. Springer, Western Adjustment, were in charge.

W. M. Railey and by the Jung Hotel against the Louisiana insurance commission have been dismissed in civil district court. The Campbell-Railey suit was intended to reduce premiums paid on buildings equipped with sprinkler systems, while the Jung petition asked a reclassification of all fire risks in an effort to gain rate reduction primarily upon "fireproof" structures. The latter suit, however, aimed at readjustments of schedules which might have caused far-reaching changes in the rates in many classes of buildings.

Irwin Loses Dock Board Suit

NEW ORLEANS, Dec. 7.—A claim of \$9,250 made by Leon Irwin & Co. against the dock board for commissions on three-year fire policies which the

board canceled before they expired was dismissed by the supreme court, reversing the civil district court.

The high court held the contract was not a continuing one, calling on Irwin & Co. to furnish the board with new policies when the first were rejected, as it offered to do so, and that there was no breach of contract.

Moser on Southern Trip

Alfred A. Moser, president Merchants Fire Assurance of New York, is making his annual trip through the south and visited old friends and agency connections in Texas last week.

Get Independence Underwriters

Hugh Sloan & Co., San Antonio, general agents, have taken on the Inde-

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Drilling Zone Rates Reduced

Oklahoma Inspection Bureau Issues
New Capital Hill Schedules—
Council Rescinds Action

OKLAHOMA CITY, Dec. 7.—A general reduction in rates in U-7 drilling zone in Capital Hill became effective Dec. 1. The new schedule announced by Manager C. T. Ingalls of the Oklahoma Inspection Bureau reduces the rate on derricks from the original \$5 per \$100 to \$3, where drilling has stopped and the derrick is not surrounded by gasoline, steam engines or other hazardous machinery. Dwellings within 140 feet of such derricks take an exposure charge on the reduced basis of \$3 per hundred when located within 50 feet of such derricks and graduated proportionately to the 140-foot limit. No change in exposure rate from oil tanks has been made.

With but one dissenting vote the city council repealed the amendment to

the oil drilling ordinance passed last week, which permitted drilling on areas less than 2½ acres, and immediately reinstated the ordinance which has been effective since oil development first began in the city.

Local Business Sold

In line with the present program for the divorce of general and local agencies, the E. B. & F. R. Bloom office of Pine Bluff, Ark., is now on a strictly general agency basis. Its local business has been sold to former employees. E. B. & F. R. Bloom are now exclusively general agents for the Camden Fire, Northwestern Fire & Marine and Hartford Accident.

The employees who have bought the local business are Wiley Roundtree, Ebby Alexander and Harry Hanf, who will be in active charge.

Dismiss Louisiana Rate Suits

NEW ORLEANS, Dec. 7.—The suits brought by W. M. Campbell and

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Reserve for Losses, etc.....	678,921.47
Reserve for Security Values.....	1,500,000.00
CASH CAPITAL.....	1,000,000.00
NET SURPLUS.....	1,204,994.67

TOTAL ASSETS\$6,466,423.76
SURPLUS TO POLICYHOLDERS \$2,204,994.67

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pendence Underwriters of the Corroon & Reynolds group for Texas.

The Westchester Fire has been planted in the Rohde & Gittinger Insurance agency.

Oklahoma Notes

The Oklahoma Blue Goose will hold a big splash Dec. 19, including a dance and an unusually clever entertainment program prepared by a committee headed by Gilbert Hayden, America Fore.

While E. E. Clark, Cherokee, Okla., local agent, was hunting, his gun was

accidentally discharged, shooting him in the arm. Amputation below the elbow was necessary. He is reported recovering satisfactorily.

Texas Notes

D. N. Rice, veteran local agent of Corsicana, Tex., is recuperating from a long siege of illness, having been confined to his home for more than a month.

G. M. Ryan, in the insurance business in San Antonio for 30 years and for several years with Sawtelle, Church & Smith, has opened an agency in the Texas Theater building.

IN THE SOUTHERN STATES

Urge That State Fix Rates

Proposal Advanced in Atlanta City Council in Controversy Over Fire Department

ATLANTA, Dec. 7.—In connection with the dismissal by the Board of Firemasters of 43 members of the Atlanta fire department and the closing of two fire stations, two councilmen charged at the meeting of the city council Monday that the mayor and council have no control over the fire department and that its policies are dictated by the Southeastern Underwriters Association. They proposed that the state of Georgia take over the fixing of fire insurance rates and that the legislature, which meets in January, be asked to authorize the public service commission to promulgate fire insurance rates. It was referred to the board of firemasters for its consideration, but not before Councilman Foster had made a special attack on the company associations, and especially the National Board of Fire Underwriters, which he declared controls fire insurance rates in this territory.

Virginia Rate Hearing Jan. 23

The Virginia corporation commission will hold a hearing Jan. 23 on a proposed revision of the Virginia rating bu-

reau's handbook of rules and schedules, involving some increases in fire rates. The proposed increases vary from 1 to 5 cents per \$100 of coverage on certain types of buildings in designated sections of the state.

Richmond Loses Railway Coverage

RICHMOND, VA., Dec. 7.—A \$900,000 line of insurance covering the Chesapeake & Ohio Railway general office building was lost last week to Richmond agents when the policies running for five years expired. The insurance, which was well distributed among Richmond agents, is reported as being rewritten in Cleveland, where some of the executive offices of the company are now located. If the policies were placed in companies operating in Virginia they will have to be countersigned in Richmond in accordance with provisions of the resident agents law.

Southern Notes

C. C. Emery, former partner of the late Robert Henry, in the independent adjusting firm of Emery & Henry, has opened an adjustment office in the Lampton building, Jackson, Miss. He also has an office at Natchez, Miss.

The mutual agency of the Lumbermen's group at Augusta, Ga., which formerly operated under the name of the Augusta Insurance Agency, has changed its name to Roberts & Fortson, with the addition of S. A. Fortson, Jr., to the agency.

PACIFIC COAST AND MOUNTAIN

Replies to Agents' Criticism

Commissioner Mitchell Responds to Resolution of California Association and Goodwin's Comments

Commissioner Mitchell of California has replied to criticism of the department, which developed at the recent meeting of the California Association of Insurance Agents at Santa Rosa.

The California association adopted a resolution criticising the California department for the number of insurance company failures in California in the past year. Mr. Mitchell states, "that the very coincidence of these failures is an indication that the division does closely supervise the operations of carriers with particular regard to conditions developing in these days of stress." Of the 14 receivership actions instituted by the California department only one had any direct agency relationship, according to Mr. Mitchell.

Investigators Are Hired

Mr. Mitchell said that, because of the problems of the depression, he has brought to his aid a great number of investigators and has conducted more hearings and examinations than have ever before been conducted in California.

Mr. Mitchell also took exception to statements made by Percy H. Goodwin at the California agents' meeting. "Throughout Percy H. Goodwin's keynote address," Mr. Mitchell states, "runs

the refreshing spirit of self-interest. The former national association president, in aiming his shaft of criticism against the chief executive of the state, the division of insurance and a number of prominent business institutions stresses continually the effect of every regulative activity on the commission earnings of agents. It is obviously proper to consider the purely monetary interest of a vocational group by one of its representatives. Still it is a bit preposterous to inveigh bitterly against other groups with divergent interests, who must be presumed to have as wideawake a feeling of civic conscience, as clear a perception of obligations and as lofty a sense of idealism as the speaker obviously claims for himself."

HITS BACK AT ACCUSERS

Lawrence Rouble, chief examiner of the California department, has issued a statement that the charges of attempted bribery brought by officials of the Benjamin Franklin Bond & Indemnity against Commissioner Mitchell, Rouble and other officials of the California department staff are "malicious attempts to force the lifting of the suspension order of the company by unscrupulous, false and libelous attacks."

"The Benjamin Franklin Bond & Indemnity," Rouble says, "is operating under an injunction prohibiting the California department from interfering until further decision by the Los Angeles court." Rouble states that "the pernicious activities of the corporation will be definitely stopped in the near future."

In the meantime this warning is issued to minimize the loss to California citizens pending the delay occasioned by profit and loss."

Would Handle Bridge Cover

Committee Representing Insurance Interests Asks That It Be Designated as Broker

SAN FRANCISCO, Dec. 7.—Requesting that it be designated as broker for insurance and bond business placed in connection with construction of the \$75,000,000 Bay bridge connecting San Francisco and Oakland, the San Francisco-Oakland bridge insurance committee, of which J. B. Hauer of the Insurance Brokers Exchange of San Francisco is chairman and H. R. Schroeter of the California Association of Insurance Agents is vice-chairman, has addressed a communication to Governor Rolph, which says in part:

"In the past it has been the practice of contractors domiciled in other states to place their bonds and insurance through agents and brokers in their own home communities. We desire to avoid this contingency in the event any contracts on the bridge go to out-of-state concerns, on the ground that a public project of this kind should redound to the benefit of as many Californians as possible.

"This committee, representing as it does the outstanding agents and brokers of the state, has been instructed by these bodies to respectfully ask you to give consideration to designating this committee as broker for all of the bridge bonds and insurance. The committee's services are gratis and any profits accruing over and above the expense of the organizations interested to be utilized for the advancement of the ethics and welfare of the insurance business and public. We are confident that no contractor will object to such a 'broker's designation' provision in the contracts, for he will be assured of proper protection and the state will be assured of service equal to that received by large private interests at the minimum of cost.

"This plan is not new. It has been used successfully by the East Bay municipal water district and the Pine Canyon Dam project in southern California, with hearty approval of the officials interested. It has proved beneficial to both the public and the business—and in some cases productive of considerable savings in premiums as well as in extending the scope of coverages."

At the recent convention of the California Association of Insurance Agents the formation of this committee was approved by resolution and the committee instructed to urge that the insurance on the bridge be placed under its management.

New Non-Board Associations

LOS ANGELES, Dec. 7.—At a luncheon meeting of the California Insurance Bureau last week plans were completed for the formation of two additional local associations of agents of non-affiliated fire carriers at Santa Barbara and Pomona. Both organizations are composed of agents of non-board companies and general agencies included in membership of the California Insurance Bureau.

Pearl Licensed in Oregon

SAN FRANCISCO, Dec. 7.—The Pearl Assurance has been licensed in Oregon, according to Edward Brown & Sons, general agents, who state that application for license in Washington is now pending.

Brokers Exchange Nominees

The annual meeting of the Insurance Brokers Exchange of San Francisco will be held Dec. 14. C. H. Turner has been nominated to succeed himself as president. Vice-presidents nominated

are T. H. Larke, Jr., now commissioner of fire prevention of San Francisco, and Milton Meyer; board of governors (two-year term), B. F. Brisac, W. E. Doud, and H. V. Stockton; arbitration committee (two-year term), Malcolm Campbell and E. M. Jones.

To Standardize Credit Terms

LOS ANGELES, Dec. 7.—In an effort ultimately to effect uniform regulation of credit terms to Los Angeles agents and brokers, H. E. Charlton, Seyler-Day agency, president of the Insurance Credit Clearing Association of Los Angeles, has appointed a committee composed of H. W. Woodruff, Fireman's Fund; Fred A. Spear, general agency; F. R. Robinson, Globe Indemnity; Henry Dimling, Swett & Crawford; G. F. Houghton, Hartford; D. R. Sessions, American Automobile, and D. M. Ladd, Fidelity & Deposit. Mr. Charlton will act as chairman. F. E. Crosby, manager of the association, will assist.

Goes on Board Basis

The Gould & Gould general agency of Seattle is now on a board basis. The change was made in view of the fact that the office has taken on the representation of the New York Fire and the Central Fire of Baltimore. The agency has also been appointed by the Tokio Marine & Fire automobile department.

M. B. Pool, former field man in the northwest for the National Union, has been appointed special agent for the Gould & Gould agency and W. L. Hawthorne, formerly special agent for the Glens Falls at Seattle, has become an underwriter in the agency.

Former Agents Sued

The American Merchant Marine has started action in the United States district court at San Francisco in an attempt to recover \$15,000 from its former California general agents. The defendants are F. J. Wallace, W. B. MacLaren, George O'Hara and F. B. Whipple. They are former members of the defunct general agency firm of Wallace-MacLaren. The company alleges that the general agents collected over \$15,000 in premiums and failed to remit. This is denied by the defendants. The case has been referred to a master.

Homeland to James & Co.

Following the death of George O. Smith, founder and senior member of the general agency firm of Smith & Wilson of San Francisco, the Homeland is to be represented by Fred S. James & Co. James A. Wilson, junior member of the firm, is to become associated with the James organization.

Study Fire Protection Changes

SEATTLE, Dec. 7.—Economy programs of Washington cities will be studied the next few months to determine whether or not fire fighting personnel and equipment is as efficient as before recent slashes. It is believed that several cities face a reduction in National Board grading.

Montana Special Agents Elect

GREAT FALLS, MONT., Dec. 7.—W. E. Rae, special agent for Royal group, was elected president of Montana Special Agents Association at the annual meeting here, succeeding C. V. Templeton, Jr., Aetna. John Pratt, of Butte, Great American and Phoenix of Hartford, was elected vice-president and E. Stroub, Great Falls, Home of New York, secretary-treasurer.

The Montana Blue Goose held its meeting at the same time. Frank J. Sullivan, Butte, chief surveyor of the Pacific Board in Montana, was toastmaster at the joint banquet. Among the guests were John J. Holmes of Great



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Falls, insurance commissioner-elect; E. E. McMahon and E. L. Heidel of Bozeman, president and secretary respectively of the Montana Association of Insurance Agents. Visiting ganders were C. R. Kerns of the Washington pond, Spokane, and L. C. Young, Utah-Idaho pond, Salt Lake City.

Heinkel Issues Statement

H. F. Heinkel of the Mid-West Agency Company of Pueblo, Colo., takes issue with certain statements of Frederic Williams, secretary of the Rocky Mountain Fire Underwriters Association, in connection with mandamus action started by the Mid-West Agency to cause reinstatement in the Rocky Mountain Fire Underwriters Association of the Universal Fire of New Jersey.

Mr. Heinkel states that the Mid-West Agency has observed all rules of the Underwriters association and the controversy arose over the fact that the Mid-West Agency was fined for the issuance of a policy supposedly to a broker. "We, therefore," Mr. Heinkel stated, "had sworn statements signed by our agent and the broker that such was not the case and submitted them

to Mr. Williams. We were then advised by him as of Aug. 10 as follows:

"This office has found certain violations of the rules which in its opinion justified the imposing of a penalty, which was done, and the Universal Insurance Company as well as yourselves were notified that this penalty had been imposed and notified of your rights of appeal."

Mr. Heinkel states that his agency desires to know of what these violations consist and desires the opportunity to perfect a defense. An appeal was made as of Aug. 19, he stated, but the agency was never notified to appear at any hearing conducted by the supervisory committee.

Sullivan Tacoma Board Guest

TACOMA, WASH., Dec. 7.—At the regular meeting of the Tacoma Insurance Exchange, with 70 in attendance, an intensive membership drive was launched.

W. A. Sullivan, insurance commissioner-elect, pledged the cooperation of the incoming administration to the betterment of the insurance business in the state and urged that it be given the organized support of the agents in its efforts to supervise the business.

Eugene Gemberling discussed the proposed qualification and limitation acts and M. B. Hevly, president King County Insurance Association, talked on the value of the association movement.

Oviatt Appointed Manager

H. E. Oviatt has been appointed manager of the Pacific Coast department of the Sanborn Map Company, with headquarters at San Francisco. He was formerly assistant manager of the central department in Chicago and has been with the company for many years.

Judge Is Blue Goose Speaker

Judge J. L. Harris, presiding judge of the superior court of San Francisco, addressed the San Francisco Blue Goose Dec. 5 on "The Organization of the Courts and the Administration of the Law."

Fowles in Utah Senate

J. Francis Fowles of Ogden, former president of the Utah Association of Insurance Agents, will be a member of the state senate in the 1933 legislature. He was a member of the lower house six years ago.

C. C. Welch, prominent Denver real estate and insurance man, and Mrs. Welch, were killed in a railroad crossing accident near the city recently.

Eastern States Activities

Baltimore Report Favorable

National Board Finds Fire Department Strong, Well Equipped and Generally Efficient

The National Board report on Baltimore, which has just been printed, is favorable. The water supply is declared to be adequate and reliable with ample quantities for engine supply generally available. The high pressure system furnishes powerful protection for two-thirds of the congested value district. The fire department is strong, mainly well equipped, well trained and generally efficient. The fire alarm system is fairly adequate and reliable.

In the congested value district, the many buildings of ordinary construction create a mainly high potential hazard. There is a fair north and south, and a partial east and west fire break.

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The gross fire loss for the past five years amounted to \$8,281,561, with the average loss per fire \$399, "a low amount," and the average loss per capita \$20.06, "a low figure."

**Losses in Maryland Run
25 Percent Below Last Year**

Losses in Maryland are running 25 percent below last year. For the last 15 years or so the average in the state has been 52 percent. Baltimore so far this year has a more satisfactory loss record than the state outside. It has really one of the most effective fire fighting machines in the country. Its fire department is on its toes all the time and has made a name for itself. The east shore of Maryland is the most undesirable area of the state because of the moral hazard. Some companies refuse to write in that section. Seemingly the people as a class are unconscionable.

Cole Heads Pittsburgh Club

E. E. Cole, Jr., eastern manager of the General of Seattle, is the new president of the Insurance Club of Pittsburgh, having been elected at the annual meeting. J. J. O'Donnell and A. C. Supplee are vice-presidents and H. S. Butler was reelected secretary.

R. H. Alexander will continue as chairman of the board. Arrangements were discussed for a sales congress to be held in connection with the annual dinner and reception Feb. 6-7.

Central Bureau Proposed

Fire companies have been queried by the Underwriters Board of Rochester, N. Y., as to their attitude toward a proposal to set up a new bureau in the office of the Underwriters Board to inform members of risks of suspicious character and to report uncollected earned premiums. The companies are asked whether, if a majority of carriers approve the plan, they would each contribute \$10 a year toward the project. The estimated cost of the scheme is \$2,500 for the first year.

Marion Succeeds Bunting

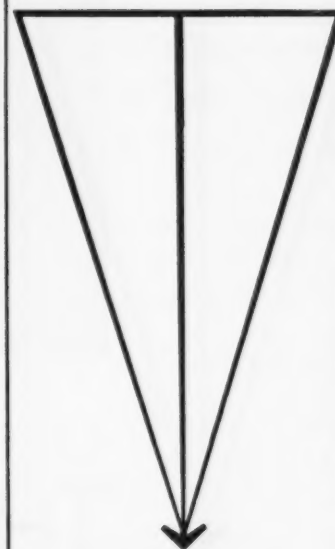
J. F. Marion has been appointed special deputy commissioner in charge of the liquidation section of the Pennsylvania department to succeed the late S. W. Bunting. Mr. Marion's headquarters will be in Philadelphia.

Brown, Huebner to Speak

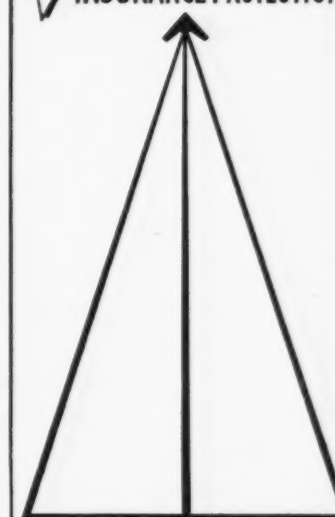
In addition to the speakers already announced for Connecticut insurance day Dec. 15, Commissioner Brown of Massachusetts and Dr. S. S. Huebner, dean of the American College of Life Underwriters, Prof. William Lyon Phelps of Yale and President McCaughy of Wesleyan University, will be on the program.

Pennsylvania Loss Committee

As members of the loss committee to cooperate with the Fire Companies Adjustment Bureau, President A. W. Mueller of the Pennsylvania Field Club has appointed John Hanlon, American of Newark (chairman); Earl Moyer, St. Paul Fire & Marine; F. J. Schultz, Home; G. P. Hammond, American Central, and A. S. Poffenberger, Aetna.

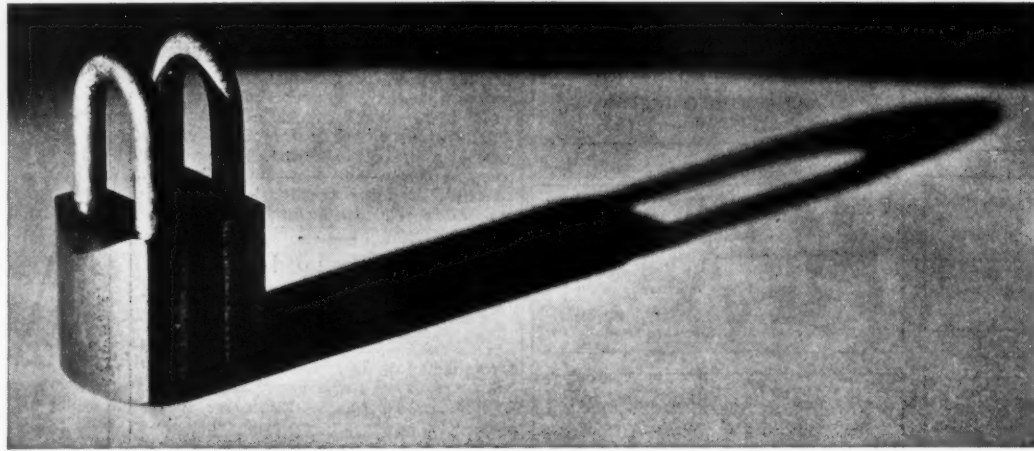
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 Who had possessions of great value.
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 That was "cheap at a dime,"
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1932

The National Underwriter

December 8, 1932

CASUALTY AND SURETY SECTION

Page Twenty-five

Important Issues Up in Conference

Agents Committees Confer as to
Surety and Compensation
Commissions

PROTEST TO COMPANIES

Declare That the Producing End Is
Called on to Make All the
Sacrifice

NEW YORK, Dec. 7.—The officials and conference committee members of the National Association of Insurance Agents and National Association of Casualty & Surety Agents met here this week to consider the issue that has arisen in readjustment of contract bond rates on federal government work of large dimensions, especially on jobs that have been initiated to give employment. The Surety Association requested agents to submit to a cut in commissions so that a lower rate than \$1.50 could be quoted. The appeal was made on the ground that as these projects were being put forth more or less to give relief in employment, it was incumbent on all to make a sacrifice so that the contractors could quote as low a price as possible.

The agents now claim that after they agreed to the plan it was discovered that the companies were getting a higher net premium than they would if the old rate were charged. The agents, therefore are disgruntled and claim they were misled. They are insisting that it is unfair for the agents to take a cut and the companies to get more premiums than usual.

Agency Leaders Present

The National Association of Insurance Agents opened headquarters at the Pennsylvania hotel in charge of Secretary W. H. Bennett and Assistant Secretary Miller. There were present President C. L. Gandy, Executive Committee Chairman Allan I. Wolff, E. J. Cole of Fall River, Mass.; J. L. Case of Norwich, Conn.; H. B. Nelson of Jersey City; H. E. McKelvey of Pittsburgh; K. H. Bair of Greensburg, Pa.; Albert Dodge of Buffalo; T. C. Moffatt of Newark; G. W. Carter of Detroit; President Geo. Kern and Secretary H. A. Smith of the New York City Agents Association; W. C. North of Bridgeport, Conn.; Frederick Hickman of Atlantic City; J. W. Tisdale of Asheville.

Casualty Committee Present

From the National Association of Casualty & Surety Agents came T. E. Braniff of Oklahoma City, William Lehnert of Baltimore, George D. Webb of Chicago, W. G. Wilson of Cleveland, F. B. Owen of Cleveland.

Another question arose in connection with the workmen's compensation rates wherein it is proposed to grant a prefer-

(CONTINUED ON PAGE 33)

Oppose Qualification Laws for Accident-Health Agent

H. & A. CONFERENCE ACTION

Resolution Adopted by Executive Committee at Its Mid-Year Meeting
in Chicago This Week

A resolution strongly opposing the application of agents' qualification laws to accident and health agents was adopted by the executive committee of the Health & Accident Underwriters Conference at its mid-year meeting in Chicago Monday. The matter was discussed at the annual meeting of the conference last June and the adoption of such a resolution approved in principle. A special committee was named to prepare the resolution, which was presented and adopted at the executive committee meeting.

Impose "Unnecessary Restrictions"

The resolution recites that the agents' qualification laws enacted in many states impose "unnecessary restrictions to the licensing of agents to write accident and health insurance and in many instances imposing unfair and unequal restrictions on certain classes of accident and health carriers and not on others"; that the accident and health companies have themselves raised the education standards and requirements of their prospective agents, making statutory enactments for this purpose unnecessary, and that economy in the administration of insurance departments will be furthered by not having to administer agents' qualification laws. The conference therefore endorses "license laws with nominal fees for insurance agents of all branches of the business, but that companies writing accident and health insurance should themselves determine the fitness and qualifications of their agents without statutory enactment."

Hospital Associations Discussed

The meeting of the executive committee proper was followed by a conference open to representatives of all conference companies, with between 35 and 40 in attendance, at which approval was given to the action taken by the executive committee on all matters before it. C. W. Ray, Hoosier Casualty, chairman of the executive committee, presided at both sessions.

The growth of the various hospital and medical insurance associations in the United States was discussed at some length, as well as the final report of the committee on costs of medical care, of which Dr. Ray Lyman Wilbur, Secretary of the Interior, is chairman. The executive committee authorized the appointment of a special committee of five to study the complete report of the committee on costs of medical care, and bring in a report on the matter at the annual meeting of the conference next June.

There was also some discussion concerning uniform phraseology for the not-covered or additional provisions in accident and health policies. Harold R. Gordon, executive secretary, was instructed to draw up a report on this subject for further consideration by the conference.

Wadsworth Again Is Made the Federation President

STRENUOUS YEAR IS FEARED

Leaders Declare Onslaught Will be
Made on Insurance Companies
for Higher Taxes

At the annual meeting of the Insurance Federation in New York this week H. H. Wadsworth of Syracuse was re-elected president, J. H. Carney of Boston, A. E. Childs of Boston, T. B. Donaldson of Newark, Wade Fetzer of Chicago, J. B. Levison of San Francisco, W. M. Reid of Pittsburgh, O. G. Strong of Cleveland, and Geo. D. Webb of Chicago, vice-presidents; J. T. Hutchinson, secretary and J. F. Morrison of New York City, treasurer. Wm. BroSmith of the Travelers was again chosen to head the advisory committee. The other members are C. B. Morcom, Aetna Casualty; Sheldon Catlin, North America; E. S. Lott, U. S. Casualty, and F. Robertson Jones.

President Wadsworth presided over the deliberations. Secretary Hutchinson has been constantly in the field, bolstering state federations and assisting in legislative work.

Report of Finance Chairman

F. Robertson Jones, chairman of the finance committee, reported that at the beginning of the year the estimated expense was \$18,000. The actual was \$17,717 and he feels that can be cut in 1933. He predicted that 1933 will be a strenuous legislative year, especially in the effort to extract more taxes from insurance. The governments are seeking tax reservoirs to tap and will endeavor to lay heavier burdens on insurance companies.

He declared that there will not be the usual movement to pass compulsory automobile insurance bills because automobilists will fight any increase in any sort of levy made on them. John W. Downs of Boston said the sentiment in Massachusetts is growing for a financial responsibility measure there to replace the compulsory law.

Clash with Agency Body

T. B. Donaldson spoke for Pennsylvania, saying the Pennsylvania Association of Insurance Agents accused the Pennsylvania Federation of opposing its bills. At a conference of the two interests, Mr. Donaldson said the agency leaders were found to be backing six measures, four of these they acknowledged were "strike" bills to harass the companies because they would not come to terms with the agents. As regards the other two, Mr. Donaldson asserted the agency conferees present engaged in a controversy as to these provisions so it was evident there was not harmony in their own ranks.

A. C. Tobias of Columbia, S. C., reported for his state federation, the newest unit.

Membership Holding Up

Total membership of the various state units of the Insurance Federation of America is now about 16,000, John T. Hutchinson, secretary of that organization, reported at its annual meeting

(CONTINUED ON PAGE 30)

Carriers Rebuked by J. E. Sullivan

New Hampshire Commissioner
Rejects Rate Increase,
Scolds Applicants

CONFLICT IS CONDEMNED

Hostility Between Mutuals and Stock
Companies Is Detrimental to the
Business, Official Says

NEW YORK, Dec. 7.—Commissioner J. E. Sullivan of New Hampshire has rejected the application for compensation rate increases in his state of both mutual and stock companies and in doing so has taken occasion to address a stinging rebuke to the companies and the National Council on Workmen's Compensation Insurance for failure to arrive at a uniform program. The average increase sought by the stock companies was 29 percent and by the mutuals 17 percent.

The dual proposal of the stock and mutual carriers, according to Commissioner Sullivan, "indicates beyond any doubt that there actually exists among stock and non-stock carriers a marked hostile spirit which I believe is detrimental to the business of compensation insurance. Such a condition reflects unfavorably upon the service and efforts of the National Council on Compensation Insurance."

Not of Recent Origin

This hostility in the business is not of recent origin, Mr. Sullivan observed, "but has existed internally and externally for many years and with the knowledge and consent of insurance commissioners. When disagreement prevails on some problem or other relative to rate matters, a real campaign is set in motion by representatives of both types of carriers," he said. Mr. Sullivan declared that visits are made to nearly every state and the expense incurred for this operative method is a factor of some importance to the policyholders, but seldom, if ever, is the expense factor taken into consideration.

Both proposals, Mr. Sullivan stated, are based on "suspicion, contempt and desire for volume of business." Both types of carriers are responsible for the hectic situation, he said.

Mr. Sullivan said that the executives are fighting among themselves and this signifies a lack of confidence between carriers. He stated that he would not accept applications until a uniform program is submitted.

Program Complicated

The compensation program has become so complicated that executives are attempting to get a picture of the entire situation by preparing statements of just what action has been taken in the

(CONTINUED ON PAGE 32)

Wisconsin Firm Extends Sale of Job Insurance

ACTIVITIES ARE SCRUTINIZED

Complaints Lodged in Michigan Against Metropolitan Employment Assurance—Active in Illinois

The Metropolitan Employment Assurance Bureau of Racine, Wis., is extending its solicitation into additional states and apparently its operations are being scrutinized by authorities. The attorney general of Wisconsin has been requested to start prosecution of the Metropolitan Employment and the chamber of commerce of Battle Creek, Mich., has asked the Michigan insurance department about the status of two solicitors for the Metropolitan Employment—G. John Diekema and E. J. Kaiser.

It has installed an office in the Old Colony Life building, Chicago, under three men, who state they are district managers. These men permitted scrutiny of the contract they are selling, but declined to give their names. The name on the door is that of C. G. Burkhardtmeier, who is an insurance broker. Classified advertisements are being inserted in the Chicago papers for solicitors.

Employees Are Solicited

Solicitation seems to be mainly of employees. Seventy percent of the money collected is paid into a fund, the trustee of which is the Marine National Exchange Bank of Milwaukee. The other 30 percent goes for commissions and expenses. The fund is not guaranteed by the Metropolitan Employment Assurance Bureau. What is sold is merely participation in the fund.

Employees whose monthly income is \$150 or more pay monthly premiums of \$3 and can collect weekly benefits of \$18 up to a maximum of \$300; employees of monthly income of \$125 or more pay \$2.50 and collect \$15 a week up to \$250; on \$100 or more monthly income, premium \$2, benefits \$12, maximum \$200; monthly income \$75, premium \$1.50, weekly benefit \$9, total benefit \$150; monthly income \$50, premium \$1, weekly benefit \$6, total benefit \$100; monthly income \$25, premium \$0.50, weekly benefit \$3, total benefit \$50.

Limitation Is Fixed

There is a clause in the contract that no trustee shall be liable to the subscriber for any money in excess of the amount received by the trustee. There is another clause providing that when the fund as a whole amounts to \$75 or more reserve per subscriber, the payments of contribution shall cease from all subscribers and employers that have made contributions for two or more years and shall be required only to maintain the \$75 reserve.

Any subscriber, according to another clause, who pays three or more years and who wants to cancel and has not received any benefits during the period shall receive that portion of the fund the subscriber would receive if the fund were dissolved.

Another clause provides that in case the claim is rejected and the rejection is disputed, the case shall be submitted to the state industrial commission or other authority.

Wisconsin Legislation

The Racine concern has its parent-hood in unemployment legislation in Wisconsin whereby every employer of 10 or more persons must carry an approved form of compensation before July 1 next year. The Wisconsin law specifically states that no group of employers shall be permitted to insure their liability in any insurance company.

Resigns



MIKE M. MOSS

Mike M. Moss, who has resigned as senior vice-president of the Union Indemnity, is preparing to take a vacation on the Pacific Coast. He has not announced his future plans. Mr. Moss is widely known in the business, having been an expansive host at many conventions and having traveled extensively throughout the country in the interest of the Union Indemnity.

While the resignation of Mr. Moss was a surprise to his organization it had been known that President W. Irving Moss had not been in accord with some of his policies. Mike Moss was on the eve of taking a business trip to the Pacific Coast when the final break came.

Sells Much P. L. to Banks, Mortgage Houses, Receivers

The Travelers cites the record of Rauland P. Smith, treasurer of the Walter F. Smith & Co. agency, Trenton, N. J., as illustrating the opportunities in selling public liability insurance to banks, mortgage companies and building and loan associations to protect them against liability for injuries attributable to their negligence on property owned by them and property operated by them in a fiduciary capacity as administrators, trustees or receivers. Mr. Smith points out to these prospects that mere failure to provide their clients with the same protection that they procured for themselves on their own property might be construed as negligence.

Increases P. L. Premiums

The Smith agency in the last two years has written liability insurance on nearly 200 pieces of property. The agency showed an increase in paid public liability other than automobile business for the first nine months of this year in spite of the shrinkage in premiums on other public liability lines.

Rauland Smith graduated from Princeton university in 1926, having one of the highest scholastic standings in his class. He subsequently studied at Oxford university in England and then, after a course of study at the Travelers home office, entered his father's agency in Trenton.

The Chicago representatives of the Metropolitan Employment expressed the belief that their concern does not come under the jurisdiction of the insurance department and is not an insurance company.

D. E. Dickinson is president of the concern; G. S. Paine, secretary, and F. R. McFarland, vice-president.

Aetna Life to Apply New Rates to A. & H. Renewals

DOZEN COMPANIES IN LINE

Sentiment Against Such Action When New Forms Were Adopted, But Has Changed Since Then

NEW YORK, Dec. 7.—Announcement by the Aetna Life that after Jan. 1 rates for its "advisory" forms of accident and health policies, heretofore applicable to new business only, would be charged on renewals as well, increases to an even dozen the number of companies that have adopted that plan. It is also considered likely that its action may induce other companies that have been inclined to the proposition, but have thus far postponed acting, to fall into line.

When some 30 company members of the Bureau of Personal Accident & Health Underwriters agreed on the issuance of the "advisory" forms last March, several favored application of the increased rates to both new business and renewals, but the majority preferred to restrict the advance to new writings, appreciating the difficulties that would be encountered by field men if they attempted to collect additional rates from old clients.

Experience Made Action Necessary

The necessity for such action, however, was made apparent by the mounting loss ratio, and one company after another determined to apply the new rate schedule to old as well as to new business. Unless there is a marked downward trend in claims in the next few months, the indications are that practically all affiliated companies with perhaps certain exceptions that have adopted the new bureau rates will be applying those rates to all their contracts.

Though not all bureau companies adopted the various "advisory" forms, the great majority did so, and still others are expected to sanction their use in the near future. Companies are permitted to continue the sale of old forms, containing features which have offered good selling points in the past, or to incorporate new conditions which they figure will have an appeal if they send the proposed form or forms to the bureau for rating.

So far there have been few such contracts submitted. The general tendency is to reduce as far as possible the number of policy forms. The multiplicity of policies has been confusing to the field force and to brokers in the large centers. To such degree was this true that few brokers in New York could be interested in the sale of accident or health insurance. So numerous and varied were the types of contract on the market that producers felt they could not take time to study all of them. They were afraid, in selling a policy to a client, that a competitor would furnish him one more liberal as to terms and provisions. Agents and assureds appreciate that the "advisory" forms contain certain standard provisions, aside from the optional ones.

The medical reimbursement feature seems to have a particular appeal to the insuring public. All companies report a growing demand for it, induced doubtless by the wide publicity being given by the daily press just now to the subject of medical and surgical costs.

Discuss Guest Law

NEWARK, Dec. 7.—The New Jersey Casualty & Utilities Claim Men's Protection Association at a luncheon-meeting here today in the Newark Athletic Club, discussed the "guest automobile law" which the casualty underwriters hope to have passed at the coming New Jersey legislature.

New President



WILLIAM A. TARVER

Insurance Commissioner W. A. Tarver of Texas, who was elected president of the National Convention of Insurance Commissioners, at its Texas meeting, presided over the meeting of that body in New York City this week.

Malicious Breakage Losses in Chicago Set at \$300,000

Malicious plate glass breakage in Chicago is costing the companies on a conservative basis at least \$300,000 a year, it is estimated by Secretary J. A. Lawlar of the Cook County Plate Glass Insurance Bureau. The reports on malicious breakage are coming in at a rate of about eight a day and the average loss is around \$60. There were 201 malicious breakage reports filed with the bureau by member companies in November; on Dec. 1 there were 22 and on Dec. 2 and 3, four additional. The total loss reported on these latter four losses was \$457. Thus in 28 working days there were reported 227 such losses.

U. S. F. & G. Joins

Not all the member companies are reporting and there are outside the bureau approximately 30 companies representing 20 percent of the plate glass premiums written in Chicago who are not reporting these losses.

With the acquisition of the United States Fidelity & Guaranty, which has just become a member, the bureau now numbers 31 companies representing about 75 percent of plate glass premiums in the county.

Some underwriters have been confused by the apparent complexities of applying the various credits under the new rates and rules made effective Dec. 1 for new business and Jan. 1 on renewals. In zone 1, the penalty district, there is a deduction of 15 percent from the manual rates on plates of 50 square feet or larger and 20 percent off on smaller plates. In zone 2 the deduction is 45 percent for the larger plates and 55 for the smaller ones.

Herdman Defers Tax Decision

LINCOLN, NEB., Dec. 7.—Commissioner Herdman will make no decision on the request of life and casualty companies for revocation of his order that the 2 percent state tax on premiums include dividends to policyholders and reinsurance premiums, until after he has consulted with Paul F. Good, the new attorney general, who takes office early in January, as he would have to conduct litigation that would follow adherence to the ruling.

Supreme Court in Depository Ruling

Pennsylvania Tribunal Declares State Funds Covered in Test Case

COMPANIES WIN A POINT

Opinion States Bonds Do Not Run Indefinitely—30-Day Cancellation Notice Issue Undecided

PHILADELPHIA, Dec. 7.—The state supreme court held Monday that surety companies cannot cancel depository bonds where deposits have been made prior to the cancellation notice. The decision came in a test case filed by the National Surety, Union Indemnity and Maryland Casualty and upheld the decision of Judge Wickersham in the Dauphin county court.

However, the court ruled that depository bonds do not run indefinitely and that "the surety is permitted, at any time, to give a reasonable notice which will result in its termination."

Important Point Undecided

The decision failed to decide the fate of the 30-day cancellation clause although under test suits the companies had given a 30-day cancellation notice. The court held that the deposits in question were made before the cancellation notice was given.

In the fall of 1931, when bank runs and failures were numerous in the state, the companies were semi-officially informed they could insert 30-day cancellation clauses in depository bonds then in effect, but were asked to use discretion. In October, 1931, the three companies gave notice of cancelling four small depository bonds. The state took no action and the companies denied liability.

It was solely a test case and it in no way has any bearing on the discussion which arose in Pennsylvania several months ago on whether the state must first exercise priority rights in closed banks before calling on the surety companies to make good the difference or whether the companies must first make good the amount of the bonds. In this case, the companies were seeking solely to ascertain whether they could cancel depository bonds on a 30-day notice.

The test case was on state deposits in the First National Bank of Glen Campbell. The court's opinion was that exercise of the 30-day cancellation clause in these times would demoralize the banking system and do "untold injury" to depositors.

Excerpts from Opinion

"We are far from holding, however," the court said, "that because there is no limitation of time expressed in the bonds, a liability for new deposits will continue indefinitely, no matter what the sureties may do. The bonds say that appellants 'become surety for the amount of monies of the commonwealth deposited' in the several banks but nowhere specify the time during which deposits may continue to be made, for which the sureties will be held liable.

"The basis of the rule, upon which the sureties attempt to rely, is that it cannot be supposed that either party intended the contract of indemnity should be forever enforced. Hence, in the absence of a controlling provision to the contrary, the surety is permitted, at any time, to give a reasonable notice which will result in its termination.

"Where, as here, there is a controlling

Roeber Reviews Results in Compensation in 1932

ANNUAL MEETING IS HELD

Progress Made in Occupational Disease Question—United Front Needed in Rate Matter

High points in the report of W. F. Roeber, general manager of the National Council on Compensation Insurance, at the annual meeting in New York Tuesday, included a brief review of the recent rate revision, the program adopted for stock carriers providing for an average country-wide increase of approximately 20 percent in the rate level and of 9 percent for non-stock carriers; a recital of progress in the study of occupational diseases; the salient reasons claims in such connection "have been developing at an alarming rate both as respects number and cost," and the definite provision made by the companies in the rate structure to meet these claims; the results of test pay-roll audits, and progress achieved in reducing the number of individual classifications in the basis manual.

Study Medical Costs

Another important matter dealt with was the appointment of a special committee to study medical and hospital costs with a view to determining whether a practical means could be found to curb the constant advance in such connection. As a result of the study devoted by a committee of claim executives to the forms used by industrial boards and commissions throughout the country, it was the conviction that virtually all information sought by state authorities could be covered by five forms, which if standardized would effect a material saving of time and cost to carriers.

The matters of bureau administration, rating practices, inspections and rate promulgation methods were set forth, after which the cost of operating the National Council and its several administrative bureaus for each of the calendar years, 1929 to 1932, inclusive, were summarized.

Adequate Rates Essential

Concluding, General Manager Roeber stated that the "results of the 1932 emergency program from the standpoint of approved rate increases are disappointing." He is hopeful, however, "that when the experience for policy year 1931 becomes available in the early part of 1933 'the carriers will find it possible to agree upon a single rate proposal which will produce more nearly adequate rates. It appears evident from the results this year that if adequate rates are to be approved, the carriers must present a united front."

New York Club's Christmas Party

NEW YORK, Dec. 7.—Members of the Casualty & Surety Club of New York are assured of "the finest entertainment ever presented" at its annual Christmas party Dec. 15. E. R. Lewis, assistant manager United States Fidelity & Guaranty, is president of the club, and J. W. Conklin of the same company is chairman of the entertainment committee.

provision to the contrary, it must be held to restrict the rule only so far as it is necessary in order to give reasonable effect to the limiting provisions. This may be done by holding that the surety is to be 'bound as principal for any debts arising thereunder,' to the extent that those debts arose before the sureties undertook to enforce their equities; that is, in the case of bank deposits, and we are considering them only, to those made before the surety has acted by giving notices."

Again President



HARRY H. WADSWORTH

H. H. Wadsworth of Syracuse, N. Y., was reelected president of the Insurance Federation at its meeting in New York this week.

Allied Mutuals' Liability Reinsured in Utica Mutual

All liabilities and policies of the Allied Mutuals Liability of New York City have been reinsured by the Utica Mutual as of midnight Nov. 30. In a statement to members, A. B. Graham, president of the Allied Mutuals, declared: "Current conditions affecting all lines of endeavor have placed an unusual burden upon the Allied Mutuals, resulting in developments which have merited the most careful consideration and attention."

The Allied Mutuals was started in 1914. As of Dec. 31, 1931, the company reported total assets of \$2,517,437, special contingent surplus \$344,159 and divisible surplus \$157,111.

Forms Surety Connection

The Buckeye Union Casualty of Columbus has made an agency connection with the National Surety. Secretary Ira L. Morris of the Buckeye Union has been appointed an agent of the National Surety representing the Columbus branch with authority to accept the business from all Buckeye agents throughout Ohio.

The Buckeye Union will present a series of radio broadcasts each Sunday evening from 5:30 to 6 over station WAIU, Columbus, starting Jan. 1. Different cities, their people, industries, historical points, etc., will be emphasized in the broadcast.

Bureau Resumes Meetings

The Los Angeles Bureau of Casualty Underwriters resumed its regular monthly meetings last week. President Harry Acord, assistant Los Angeles manager Maryland Casualty, presided and the principal speaker was Frank E. Crosby, manager Insurance Credit Clearing Association of Los Angeles, who discussed the work of his organization in the interest of casualty insurance.

New Pennsylvania Truck Code

The Pennsylvania public service commission has adopted new regulations covering common carriage of freight by motor truck. Under the new code truckers will be required to carry on each truck public liability insurance of \$5,000/\$10,000, property damage of \$10,000 and cargo insurance of \$500.

Reciprocal Failure Being Wound Up

Final Report on Associated Employers Receivership Is Prepared for Filing

FIGURES ARE SIGNIFICANT

Only \$318,041 Cash Dividends Paid Although Total Return Is Set at \$1,108,804

After a receivership of nearly eight years, the last chapter has been written in the story of the Associated Employers Reciprocal of Chicago, one of the greatest assessment company failures in the history of American insurance. Notice of intention to file the final report of Receiver J. W. Gullett in federal district court at Chicago was given this week.

The report, recommending a final dividend payment of \$23,959, or 3.64 percent, is on call Friday before Federal Judge Wilkerson. It is probable that the receiver will not be discharged until near the end of December, as he must remain long enough to carry out the final order.

Total Dividends \$318,041

Total cash disbursements in dividends, including the final sum which will go out within a few days, amount to \$318,041, or 48.64 percent, the report states.

The receiver reports that total return to subscribers and all claimants has been \$1,108,804, which includes set-offs of earned premiums due from subscribers and salvage of various kinds, including return of pledged collateral from the American Surety, taken on cases involving continuing liability. This salvage and return of pledged collateral amounted to \$145,136. Set-offs to subscribers against claims which they filed totaled \$585,400. The American Surety finally had \$4,500 remaining pledged collateral. The receiver recommended approval of a compromise plan for the company to return this, receive \$1,000 cash to cover an indemnity bond on an accident case in Ohio in which liability will not expire for five years, and also to be reimbursed for attorneys' fees.

Total Allowed Claims \$657,642

Total claims of subscribers allowed in the northern district of Illinois, with a more recent claim for \$3,839 filed by the Continental Lumber & Tie Co., a former subscriber, were \$296,077, and total claims allowed in all jurisdictions, \$657,642, both of subscribers and third parties.

There were more than 3,700 subscribers who paid the assessments levied under court order, and nearly 1,000 claims. Checks aggregating \$534 were not delivered, due to improper address, and will be paid to the court.

Collection Possibilities Exhausted

The final report states that the possibilities of collecting full amounts remaining due from some subscribers for assessments, earned premiums and unearned savings, have been exhausted. There are numerous unsatisfied judgments against subscribers of doubtful solvency and numerous other uncollected judgments on which the receiver's staff attempted to settle for any sum, however small, but has been advised in most cases that the judgments are virtually uncollectible.

Fisher, Boyden, Bell, Boyd & Marshall of Chicago were attorneys for the receiver, D. A. Watts having direct charge.

ACCIDENT AND HEALTH FIELD

Issues "Medical" Auto Policy

Maryland Casualty Gets Out New Form That Sells for \$10—\$2,500 Death Benefit

The "full medical" automobile accident policy is a new form just announced by the Maryland Casualty, selling for \$10. It pays \$2,500 death benefit, provides a limit of \$500 for cost of medical, surgical, hospital and nursing attention and covers accidents while (a) operating, driving, riding in, adjusting, repairing or cranking a private passenger automobile; (b) riding as a passenger in a public passenger automobile; (c) by being struck or run down by an automobile.

No Weekly Indemnity

There is no provision for weekly indemnity. It is offered to men and women, employed or not, including housewives. The age limits for men are 16-64 and for women 16-59. Excepted occupations are automobile salesmen,

chauffeurs, mechanics, filling station attendants, farmers, laborers, miners, policemen and truck drivers.

Nunnally Succeeds Watkins

M. D. Nunnally has succeeded the late R. D. Watkins as president of the Home Beneficial of Richmond. He has been first vice-president. J. R. Cole, second vice-president was advanced to first vice-president. R. H. Watkins, assistant secretary and son of the former president, becomes second vice-president.

Issues Combination Cover

The American Bankers is now issuing its "non-cancellable income" policy in connection with life policies to form what is called the "every-way, every-day" combination protection. The non-cancellable feature of the combination contract replaces the income disability provision of the life policy, which is no longer issued. It is issued on an aggregate indemnity basis, with no principal sum, and three months waiting period.

It may be sold with every form of life policy except term insurance.

The premium for the combination coverage, age 30, class A, for a 20-payment life contract for \$2,500, with double indemnity and income waiver, and \$2,500 aggregate disability protection, payable \$50 a month, is \$80.26.

Continental Casualty Changes

The Continental Casualty has announced some changes in its \$1 and \$3 automobile accident policies, which are issued only to purchasers of automobile liability policies with that company. In the \$1 form, which provides no weekly indemnity, the principal sum is changed from \$5,000 to \$2,500, with 10 percent accumulation for two years. The principal sum of the \$3 form remains \$2,500, but with 10 percent accumulation for five years instead of 25 percent for two years. Accumulations on weekly indemnity are discontinued, total disability is payable for 30 weeks instead of 52, partial disability is eliminated and hospital indemnity of \$10 a week for 10 weeks is added.

Rogers Heads Seattle Club

SEATTLE, Dec. 7.—Clarence W. Rogers, Seattle manager for the Busi-

ness Men's Assurance, has been elected president of the Accident & Health Club of Seattle; Roger Morgan, Pacific Mutual Life, vice-president; Mrs. M. G. Closser, state manager National Casualty, secretary, and G. A. Matlack, general agent Monarch Life, treasurer.

Maritzen Made Liquidator

J. L. Maritzen, who has been in charge of the liquidation of the Union Automobile & Casualty of Los Angeles for Commissioner Mitchell of California, has been put in charge of liquidation of the Peoples Mutual Life of Beverly Hills, Cal., an assessment company writing life, accident and health, which was declared insolvent a few weeks ago and Commissioner Mitchell appointed receiver.

Bureau Declared Essential in Detecting False Claims

There has been a large increase in casualty claims in the last year, and the services of the Mutual Information Bureau of Chicago are needed more than ever before, H. D. Wagner, president, declared at the annual meeting in that city Tuesday. The membership has fallen off some and income is lower, whereas the bureau really needs extra clerks to keep up with the mass of detail which has made it necessary for the small staff to work many nights until close to midnight, he said.

Mr. Wagner and several members stated it would be a pity that the service which has cost upwards of \$250,000 to build should be discontinued for lack of proper support. H. B. De Shields of the Bankers Indemnity said he already had received enough benefit from the bureau to pay his subscription for 20 years. He cited instances in which clippings on file in the bureau saved his company a great deal of money.

Mr. Wagner was reelected president at the meeting of the new board which immediately followed the gathering. New members recently secured are the Borden Associated Companies, Chicago & Calumet District Transit Company, Continental Casualty and United States Mutual, the insurance department of the Illinois Motor Club. Mr. Wagner in his annual address stated he was opposed to giving reports to non-subscribing claim men and agencies.

Discuss Indiana Legislation

INDIANAPOLIS, Dec. 7.—At the monthly meeting of the Casualty and Surety Club of Indianapolis Monday there was considerable discussion of prospective legislation that will affect casualty and surety interests in the state directly or generally. Workmen's compensation problems in the state were also touched upon.

Federal Surety Hearing Jan. 10

DES MOINES, Dec. 7.—Hearing objections, if any, to the report of Commissioner E. W. Clark as receiver of the Federal Surety of Davenport, has been set for Jan. 10. Time was extended to give those interested time to present objections to the report, listing losses in excess of \$6,000,000.

Lloyds Men to Visit Chicago

NEW YORK, Dec. 7.—F. P. Stanley, the new vice-president and agency superintendent of the Lloyds Insurance Company of New York City, took his official seat Friday of last week even though he had not been assigned an office. He spent the time getting acquainted with his associates. Mr. Stanley is well acquainted with New York executives and his connection with the Lloyds will give added strength to the personnel. Mr. Stanley and Vice-president M. D. Maggin expect to pay a visit to Chicago next week and go over the situation there.

PERFORMANCE

Dependable and prompt plate glass replacements, year after year, has built an enviable reputation of performance for this organization among insurance men and their plate glass policyholders.

They have learned to depend upon the American Glass Company for that unfailing replacement serv-

ice which keeps plate glass insurance on the books.

They know the equipment and facilities of this company is second to none—that a fleet of trucks are always ready to go—that experienced men assure prompt, courteous plate glass replacements.

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**EMPLOYERS
REINSURANCE
CORPORATION**

E. G. TRIMBLE, President

Two Major Topics Before Convention

(CONTINUED FROM PAGE 3)

owning and controlling insurance companies. A company distant from financial centers, or one that had a weak management, might be greatly benefited by being linked up with other companies where the chief factors were in touch with business trends and had the benefit of expert advice. He believes in cooperative guidance and advice. Any abuses, he held, should be checked by the commissioners. He stated they should be given broad discretionary powers in dealing with such conditions.

Bassett Explains Group Operation

President Bassett explained the two systems of group operation in fire and casualty. One is where the key or owning company holds the stock of its affiliates. The other is where a group operates through a single holding company or is linked together by a common management, but with different sets of stockholders, although many may own shares in the parent company and one or more affiliates.

The single owning company plan originated in England and was perfected there. In 1906, he said, there were five American and seven foreign groups operating on the key company system. All the owning and owned companies are still operating. The policyholders, he declared, had not been hazarded. The plan, he submitted, has been successful and has been a saving grace. Under the New York law, stock of any company in the group owned by an associate is valued on a cash basis; that is, only the capital and surplus can be considered in the valuation. Reserves are high under the laws of this country, but he declared they are none too high. These are for the protection of the policyholders, both of the key or subsidiary company.

Support Always Given

No owning company in the key company plan, he asserted, has refused to support an owned company in time of distress. Foreign owned companies have religiously followed the practice. Owned companies, Mr. Bassett said, had been assisted in this time of financial distress. He made it clear that this course has not been followed at all times where the other group system has been pursued. An affiliate under that plan has been known to be cut adrift because there is no common stockholding interest. The key company plan or another holding device should not be condemned because of some abuses. Where a holding company is used for speculative purposes, it should be called to time. Abuses, he stated, can be found in all lines, but they are not destroyed because of this deflection.

Hearing on Marine Overlapping

Andrew F. Gates, Hartford attorney, said there had been no failure of any Connecticut company for 40 years. Some started in to write life and some fire originally. Then the various casualty lines came into being. A Connecticut charter stipulates what a company can write. Where a company takes stock of another company, the former's capital is increased accordingly. Mr. Gates contended that where dishonest management is found, the commissioners should assert themselves. If a state has not sufficiency of law to empower its commissioner to correct such abuses, Mr. Gates advised that steps be taken to enlarge the official authority. Legislation may be needed, he acknowledged, to remedy grievous abuses.

A subcommittee of the fire committee of the national convention was appointed by Superintendent H. W. Hanson of Illinois, chairman of the committee, following a hearing on the question of securing a clear and uniform definition of marine insurance to study the matter and report in time for ac-

tion by the entire committee before the annual meeting. The small committee, consisting of Van Schaick, New York, chairman; Dunham, Connecticut, and Kidd, Indiana, will give hearings. There has been complaint that the marine companies were encroaching on the preserves of the fire and casualty companies and there has been much confusion over the matter. The New York department has given hearings and not long since promulgated its findings.

A special marine committee consisting of D. F. Cox, chairman; Hendon Chubb, Benjamin Rush, W. H. McGee, E. J. Perrin, Jr., F. B. McBride and W. J. Roberts has been working on the subject, endeavoring to secure a nationwide interpretation of marine and transportation insurance powers. Attorney A. G. Thacher was the spokesman for the committee. His committee filed a memorandum, making suggestions and recommending some modification of the New York ruling. He urged the commissioners to approve tentatively the New York ruling in order to get uniformity as soon as possible. Then they could study the marine committee's suggestions and any others, finally reaching some definite conclusions. He said the committee is not pressing the adoption of the householders comprehensive policy.

Say Commissioners Should Decide

C. P. Butler, North America, formerly of the New York department, explained much marine business originated in New York but it applied in other states. Because of lack of uniform state practice there is much confusion. He said there is need for a definition of what is and what is not marine insurance. At present, he said, underwriters do not know where the marine cover begins and ends. Mr. Cox said that now the commissioners should decide the line of demarcation.

J. R. Dumont, manager Interstate Underwriters Board, said the committee started to consider marine coverage ten years ago and established certain rules. Then four years ago the commissioners approved the plan whereby the I. U. B. came into being to handle reporting forms. Mr. Dumont said he was not entirely satisfied with the New York ruling. The fire people differ with marine on the export side of the business. He said the commissioners should not act hastily. President C. L. Gandy, National Association of Insurance Agents, said the agents are much interested in this question and desire to familiarize themselves with the subject.

Dunham's Proposal

At the executive session Commissioner Dunham of Connecticut urged the appointment of a committee of five to conduct a survey of expenses of company organizations and rate cutting practices of some companies with a view to ascertaining the effect on their financial stability. Some commissioners feel that organization expense is getting to be a big item and they are of the opinion that some reduction can be made. Col. Dunham stated that undoubtedly more economy could be practiced in their operations. The matter of rate cutting, he declared, should have a general study. He also asserted the question of agency balances could be considered. The insurance departments themselves should be studied in order to cut down waste. President Tarver appointed on the committee H. P. Dunham, Connecticut; W. S. Pope, Texas; A. H. Averill, Oregon; G. S. Van Schaick, New York, and C. T. Warner, Ohio.

Secretary Jess G. Read was not able to be present at the Wednesday session as he is ill in bed being threatened with "flu." W. P. Tate, actuary of the Kentucky department, acted as secretary.

Deputy Gough of New Jersey questioned Colonel Dunham as to the scope of survey as to expenses, declaring the insurance departments have too small appropriations now. Colonel Dunham declared that so far as the departments

are concerned he felt that requirements on companies might be cut down so as to relieve them of undue expense.

Commissioner Thompson of Missouri, chairman of the executive committee, reported that the committee had agreed to meet at the Edgewater Beach Hotel, Chicago, June 1-3. It was recommended that the fall or annual meeting of the convention be combined with the June meeting at Chicago. Deputy Gough felt that the commissioners would be criticized for going to Chicago on a world's fair junket. Commissioner Knott of Florida urged that the annual meeting be held at St. Petersburg. That was the alternative recommended by the committee in case the Chicago proposal was not approved. On vote on the Chicago plan, there were only four negative votes, so Chicago will get the annual meeting.

Commissioner Warner announced the serious illness of former Superintendent A. I. Vorys of Ohio, a former president of the convention, at his home in Columbus, Ohio.

Commissioners Dunham, McQuarrie of Utah and Mitchell of California were appointed to carry good wishes to Secretary Read. Commissioners Clark of Vermont and Sullivan of New Hampshire and former Commissioner Hobbs of Massachusetts were appointed a committee to draw up a memorial in honor of former Commissioner Brown of Vermont, who died recently.

The question of a standard agents' qualification law was discussed by the commissioners in executive session this morning, the final determination being to refer its further consideration to the standing committee on laws and legislation, members of which will confer both with company representatives and local agents before formulating a report.

Sing Two National Anthems

President Tarver in opening the meeting departed from the usual custom by leading the audience in singing "America." He then asked Superintendent R. Leighton Foster of Ontario and B. A. Dugal of Quebec to lead in singing "God Save the King." Commissioner Thulemeyer of Wyoming received public recognition by the convention giving him a round of applause in tribute to his recent marriage.

Superintendent Hanson of Illinois announced the death of R. E. Daly, supervisor of examinations of the Illinois department, a member of the blanks commission. Actuary Robinson of the Ohio department, chairman of the committee, read a memoir in honor of Mr. Daly.

J. A. Hartigan of St. Paul, former Minnesota commissioner, and now inspector of agents of the Equitable Life of New York, invited all the conventioners to be the guests of the company at lunch Wednesday with its officials as hosts.

At noon Tuesday the commissioners and their staffs were guests of the Insurance Brokers Association of New York City at lunch. President William Schiff was in charge. There were some special guests present. Brief remarks were made by Commissioners Tarver of Texas, Van Schaick of New York, Livingston of Michigan, Riley of Mississippi and George Nichols of the brokers organization, who spoke of the purpose and scope of his association.

Wednesday evening a larger body of insurance men entertained the commissioners and other department men at the Waldorf-Astoria at dinner with Commissioner Riley of Mississippi as master of ceremonies.

Commissioner Brown of Minnesota, chairman of the interlocking and holding committee, asked that his committee be extended so that proper legislation to prevent abuses of this system, especially in life insurance, can be recommended at the June meeting. The committee reported that it condemned abuses that have crept into the business through this interlocking device. Superintendent Foster of Ontario reported that he and Superintendent Dugal of

Quebec constitute the standing committee on valuation of securities of the Canadian superintendents organization. At a meeting in New York the committee voted to follow the plan adopted by the National Convention of Insurance Commissioners this week as to valuation of bonds, stocks and debentures.

Superintendent C. T. Warner of Ohio was forced to remain in his room under medical care on arriving at the convention, being attacked by a severe cold. He was able to attend the sessions Wednesday afternoon.

Wadsworth Again Is the Federation President

(CONTINUED FROM PAGE 25)

in New York. Despite hard times, the shrinkage in membership has been less than 25 percent, he said.

All of the state federations, Mr. Hutchinson declared, were affected financially and drastic reductions in overhead expense were effected. However, most of the state organizations are determined to preserve their strength through a greater volunteer effort, he said. Mr. Hutchinson reported that he had visited all of the active state units in the east, midwest and south. Adverse economic conditions have brought federation workers into more intimate touch with each other, he said.

Mr. Hutchinson gave particular attention to Oklahoma, where various proposals, including monopolistic workmen's compensation bills and income tax bill, would seriously affect insurance interests were proposed. Mr. Hutchinson also reviewed legislative work in Alabama, Indiana and South Carolina.

Hare & Chase Case Ended

Decision of the trial court favorable to the National Surety in the action against it by Hare & Chase, Inc., of Philadelphia, to collect \$3,300,000 under a finance automobile bond issued a number of years ago, has been upheld by the United States Supreme Court, thus terminating litigation that attracted wide attention among the underwriting fraternity.

Bonds May Be Rejected


SAN FRANCISCO, Dec. 7.—The California attorney general has advised the state commissioner of corporations and the board of equalization that bonds written and presented by the Benjamin Franklin Bond & Indemnity, now under suspension by the insurance commissioner, and engaged in litigation to void such suspension, need not be approved or accepted and that bonds executed prior to the suspension may be canceled and new bonds demanded from companies operating in accord with the license law.

Round Table at Los Angeles


LOS ANGELES, Dec. 7.—The Casualty Association of Los Angeles held a round table discussion last week of casualty problems in southern California, including consideration of a report of the recent annual convention of the California Association of Insurance Agents made by G. F. Houghton, assistant Pacific Coast manager at Los Angeles of the Hartford. Fictitious fleets were also discussed with reference particularly to a situation in Pasadena involving coverage on privately owned automobiles of school teachers.

Allied Insurance Agency

The Allied Insurance Agency, 134 North La Salle street, Chicago, which was recently organized and which has not had a life insurance company representation, has been appointed general agent for the Franklin Life of Springfield, Ill. The members of the firm are G. T. Scully, John F. Quinlan, H. J. McKillip, who was formerly with the Travelers, and Grant M. Rhode.




An organization keyed to give intelligent service and prompt, equitable claim settlements—the kind of service that appeals to both agents and policyholders.



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CONSOLIDATION OF LLOYDS CASUALTY COMPANY, CONSTITUTION INDEMNITY COMPANY, DETROIT FIDELITY AND SURETY COMPANY

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FIDELITY AND SURETY NEWS

More Small Bank Failures

Sharp Increase Last Week — Surety Companies Wary of Depository Bonds, Especially in Pennsylvania

NEW YORK, Dec. 7.—There were 30 bank failures in the country last week, or three times those of the preceding week. The institutions involved were small and located mainly in the farming communities of the middle west.

Surety companies continue to write depository bonds very guardedly and will continue so until financial and general business conditions display marked improvement. While some of the companies have accepted coverage on Pennsylvania banks, it was with the distinct proviso that the cancellation clause be attached to the bonds. Pending settlement of the test case before the Pennsylvania courts to determine whether public funds constitute preferred claims in the event of a bank's failure, no concerted move was made by surety underwriters to secure the adoption by the state of a more liberal form of depository bond than that now in use.

Large Federal Contracts

NEW YORK, Dec. 7.—Important contracts for federal work recently awarded include those for the \$2,500,000 Naval Hospital at Philadelphia, the installation of a central plant for heating the public buildings at Washington, D. C., at a cost of approximately \$3,500,000, and the construction of the San Gabriel Dam and appurtenant structures near Los Angeles, figured to cost about \$8,000,000. Completion bonds of 50 percent of the contract award will be re-

quired, the rate being \$11.65 per thousand for the term on the first two projects while the rate on the dam has not yet been determined.

Fidelity Peak Is Passed

There is a general feeling that the full tide of fidelity losses due to the stock market crash, bank failures and the depression generally, long has been passed, although undoubtedly other embezzlements in decreasing amount will be discovered. Receiverships of banks and other institutions carrying fidelity cover have brought many of these defalcations to light, while if the going concern had continued the losses could have been covered up for a long time. It is also probably true that many changes in personnel in banks which are continuing have made it impossible for dishonest employees longer to cover up dishonest acts in their departments.

Won't Affect Business

OMAHA, Dec. 7.—It is not expected that the measure permitting the deposit of securities in lieu of depository bonds for protection of the city's funds in banks will affect the surety business. Double the amount of the deposit is required in either depository bonds or securities and bankers do not want to tie up such a large amount of liquid assets to cover public deposits.

Wilson Heads Los Angeles Group

LOS ANGELES, Dec. 7.—Roy O. Wilson, Los Angeles manager National Surety, was elected president of the Surety Underwriters Association of southern California last week. Joseph Johnson, Aetna, was elected vice-president and Don M. Ladd, Fidelity & De-

posit, was re-elected secretary-treasurer. Immediately following his election, Mr. Wilson appointed the following committee chairmen: Rates, rules and forms, Don M. Ladd; executive, Walter Whitford; membership, W. J. Bennett; entertainment, Walter Whitford; legislative, N. E. Anderson; grievance, C. F. Bachelder, and public relations, A. I. Zimmerman.

Carriers Rebuked by J. E. Sullivan

(CONTINUED FROM PAGE 25)

various states. One company's list runs as follows:

In the non-regulated states the following increases have been applied by the stock carriers: Connecticut 15 percent; District of Columbia 26.9; Idaho 11.3; Indiana 8.1; Iowa 24.7; Louisiana 20.8; Montana 13.5; Nebraska 20.8; New Mexico 19.9; Rhode Island 23.8. In the following regulated states these increases have been approved: Colorado 13.6 percent; Utah 30.2 percent. In the following regulated states rate increases as follows have been rejected: Maine 3.5 percent; Michigan 16.9 percent; South Dakota 8.2 percent, and New Hampshire 28.7 percent.

In the following regulated states these increases are proposed: Alabama 9.2 percent; Kansas 35.9 percent; Kentucky 15.7 percent; Maryland 2 percent; Missouri 34; Tennessee 31.9; Texas, oil classifications, 17.2 percent; all other, 12.5, and Vermont 11.5.

In the following independent bureau states these increases have been approved: Delaware 13.7 percent; Minnesota 8 percent; New Jersey 6; Pennsylvania 13.7; Virginia 18.8, and Wisconsin 0.8. In the following independent bureau states these rates are proposed: California 5 percent; Massachusetts 2.3, and New York 9.2.

The National Bureau of Casualty &

Surety Underwriters has sent out a bulletin on the situation in a number of states. The California bureau, according to the National Bureau communication, advises that the insurance department has approved revised rates representing an increase of 4.6 percent. The new rates become effective Jan. 1 on new and renewal business. The Massachusetts bureau is considering revised rates. In New York and North Carolina the revised rates are still pending before the supervisory authorities.

Those are independent bureau states.

In Other States

Other states, the situation is: In Alabama a public hearing was held Nov. 18. In Kansas, Tennessee and Vermont the revised rates are still pending. The Kentucky workmen's compensation board has disapproved the proposed rate and the regional committee will meet Dec. 8 to consider what further steps to take. The revised rates were considered at a public hearing in Maryland Nov. 10. In Michigan, the revised rates for both stock and nonstock companies, including the loading for occupational diseases, have been filed with the commissioner to become effective Dec. 31.

In Missouri a public hearing was held at Jefferson City Nov. 15-16. The application has been disapproved in New Hampshire. In Oklahoma, the supreme court has not yet rendered a decision. The Texas board of insurance commissioners has approved the revised rates.

Anxious though casualty underwriters are to learn the attitude of the New York department with respect to the appeal for increased rates on workmen's compensation risks in New York, filed by the Compensation Insurance Rating Board of New York some time ago, it is unlikely that decision in the matter will be reached this week, as the whole subject of compensation rates was scheduled for consideration by the National Convention of Insurance Commissioners at its sessions in New York.

A number of company executives and

Assets

\$3,082,051.87



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Surplus to Policyholders

\$917,168.22

THE OHIO CASUALTY INSURANCE COMPANY

HAMILTON, OHIO

FULL COVER AUTOMOBILE — LIABILITY — PLATEGLASS —
BURGLARY — FIDELITY AND SURETY BONDS
AUTOMOBILE ACCIDENT

James A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, gathered in Hartford for an informal conference on compensation schedules. Exhibits were considered and discussed, but no definite conclusions were reached. The purpose is to establish a basis of cost which will be reasonable for insuring compensation.

In addition to Mr. Beha, among those present were R. J. Sullivan, Travelers; C. B. Morcom, Aetna Casualty; E. J. Bond, Jr., Maryland Casualty; Jesse S. Phillips, Great American Indemnity, and J. M. Haines, London Guarantee.

Important Issues Up in Conference

(CONTINUED FROM PAGE 25)

ential rate on risks producing a premium of \$1,000 or more. This involves a reduction of commissions. The agents claim that they should not be saddled with the reduction but that all the expense elements should be studied. Many feel the larger premium payers should not be favored and the smaller ones not get a like benefit.

Deny Misleading Agents

The surety companies declare they did not mislead the agents on big government contract bond commitments. In the placing of such bonds complaint was made that there was considerable rebating and splitting up of commissions, because most of these bonds were assigned to a political agency, even when all efforts were made to force the business through regular channels. There was 30 percent commission paid. With rebating going on, it seemed impossible to get anywhere, so it was suggested the commission be reduced to 10 percent, the companies' net to remain as before. There were a number of suggestions made as to the way the situation might be met and another conference between agents and surety companies was agreed on, but was not held.

The companies say that in the computation of the term rate on two or three jobs running over a considerable period the Towner Rating Bureau did make a mistake and gave the companies a bit more than they would have received under the old plan. This, however, the company spokesmen say, is not material. The point is made that in dealing with political jobs of this character, where emergency relief is a factor, it is impossible to deal with a situation satisfactorily. With political racketeering in vogue, the companies say they are endeavoring to deal with a delicate situation and trying to divert the business back to legitimate channels.

Companies' Position Challenged

At the joint conference of the agency bodies the position taken by the companies that there was political racketeering over contract bonds on federal work was challenged. The general agents declare they have been getting some of this business, with no split-up involved. When the companies in the first two conferences used the rebate condition as an argument for reduced commissions, the agency conferees agreed to let the special bonds up for consideration at that time carry the 10 percent commission but insisted the companies present convincing evidence of racketeering before any definite agreement was entered into. It was understood that this was to be forthcoming but no conference was called.

Confer Entire Afternoon

At the joint agency meeting it was agreed that before any further discussion took place the companies must produce evidence to back up their statement. It was declared the agents are not necessarily demanding the full 30 percent but they see no reason for a cut to 10

percent. No one of the agency conferees had encountered the alleged political racketeering.

The three interests spent all Tuesday afternoon in conference, after which company officials went into executive session to consider the proposals made by the agents. The agents saw no reason for departing from the 1½ percent rate and felt the political phases at Washington should be dealt with in some other way than reducing commissions. The company men declared it was difficult to cope with the situation since the Washington office handling these bonds was not attached to any of the three organizations. Another con-

ference will be held this week with all three organizations represented.

The casualty companies' committee and the National Association of Insurance Agents' committee met Wednesday afternoon to consider the commission issue on compensation insurance. The surety companies were represented by E. M. Allen, National Surety, chairman; W. E. McKell and Mr. Hutchinson, American Surety; Hale Anderson, Fidelity & Casualty; F. A. Bach, Fidelity & Deposit; Paul Rutherford, Hartford Accident; Sidney Hall, W. A. Edgar, United States Fidelity & Guaranty; R. F. Proctor, Maryland Casualty; W. M. Smith and W. L. Mooney, Eetna

Casualty, and Mr. Clark, National Surety.

The National Association of Casualty & Surety Agents was represented by Messrs. Webb, Lehnert, Braniff and Wilson. The National Association of Insurance Agents was represented by Messrs. Gandy, Bennett, T. C. Moffat, R. W. Troxell of Springfield, Ill.; Allan Wolff, Case, W. C. North, E. J. Cole, Carter, Hickman, A. J. Smith, Dodge, K. H. Bair and George Kern.

The Time Saver contains an analysis of commercial accident and health contracts issued by leading stock, mutual and mail assessment companies. Price \$4. The National Underwriter.

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KANSAS CITY

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DENNIS HUDSON, President

Uniform Balance Rule Is Adopted

(CONTINUED FROM PAGE 5)

advise the secretary of the field club as to the outcome of the meeting and whether the agency has been placed on probation, in which event the agency shall be construed as delinquent and all members of the field club notified.

When a meeting has been called on an agency, no member is permitted to collect balances due his company before a final report on the condition of the agency is made by the chairman of the meeting, except that any money so collected by any company subsequent to the call for the meeting shall be turned over to the agency balance committee.

Cannot Be Appointed

In the event an agent has been declared delinquent and not restored to nondelinquent standing, it shall be regarded as unethical for any member to appoint such agent while the agency is under supervision of the balance committee.

In the event liquidation or dissolution of an agency becomes necessary or trusteeship is established or the agency is put under the supervision and direc-

tion of a properly constituted agency balance committee, the method of distributing agency balances in process of liquidation must be to pay in full such monthly accounts as are outstanding less than 30 days, if sufficient funds are available. If not, then the distribution must be on a pro rata basis, pro rata being defined as that proportion of the amount due each company on less than 90 days' balance bears to the whole amount due all companies for less than 90 days.

Apportionment of Surplus

Any surplus available for distribution after less than 90 days are paid shall be apportioned as follows: Apply on a pro rata basis such remaining sums to monthly balances owing respective companies in the agency in the inverse order in which the same had become due. The intent hereof is to reward diligence in collections and to obviate the unfairness of permitting those displaying laxity and permitting large balances to accumulate, to take assets in large part against those who have been more diligent.

"Any action of any member encouraging the placing of business with a company represented by him, by seeking to profit from the agent's violation of his contractual relations with other

companies also represented by him, is a breach of honest business methods, which it is the purpose of these by-laws to eliminate by enforcing proper ethical conduct on each of its members to all others.

"The reporting of farm, automobile, inland marine or other lines (not casualty) written by members of this association, automatically makes such balances eligible under this rule provided the agency reported also represents association companies for fire and tornado lines."

Company Executives Face Notable Problems Today

(CONTINUED FROM PAGE 5)

doubtedly this will have to be curtailed through consolidation or other means. Companies are not engaging in any extravagances these days. They are traveling close to shore and are not authorizing any outlay unless it is essential.

Companies naturally are watching their underwriting, taking every precaution possible to guard themselves against anything extraordinary. With reduced capital and surplus there have come certain line readjustments and congested district liability. One of the

most perplexing features confronting the underwriter is the complete collapse of danger signals that were operating in normal times. Underwriters got "hunches" but today these may be all awry. The financial situation of an assured may have changed in a few months time. It is difficult therefore to keep up with the procession. With it all, the loss ratio has maintained a fair equilibrium. Given an ordinary premium income and the loss ratio would not be bad at all. That is one of the bright spots in the horizon.

Finance Companies Ponder Insurance at Annual Meet

(CONTINUED FROM PAGE 4)

The committee recommended consideration of purchaser's disability protection. To be successful and to be obtained at a minimum cost it must be universally used, according to the committee. Otherwise the additional premium would result in rate competition among finance companies.

The committee recommended that losses be handled through adjusters experienced in the motor vehicle business and not through old line fire adjusters.

"Your committee recommends your consideration of the underwriting and business conducted and insurance benefits derived therefrom be given serious consideration at all times. That such insurance be purchased with a view of cost of business and not as additional revenue. In such a manner finance companies in the aggregate define their position as not being insurance agents competing with others in their community and further may be enabled to obtain broader terms and coverage from the underwriters today."

Dividend Action Deferred

The Continental Casualty has voted to defer action on dividend payments until its regular meeting next March. President H. A. Behrens explains to stockholders that the experience of the Continental Casualty has greatly improved and the company has undertaken an aggressive development campaign, but the directors decided that it would be best to maintain the "strong, financial base of the institution."

Because of the fact that the Continental Casualty has large holdings in the Continental Assurance, Mr. Behrens reported on the operations of that company. He said the Continental Assurance showed earnings from insurance operations for the first nine months of this year well in excess of the entire year's dividends. The new business of the Continental Assurance shows a marked improvement and in November more policy loans were repaid than ever before in the company's history. The Continental Assurance has declared its usual quarterly dividend of 50 cents per share payable Dec. 31 to stockholders of record Dec. 15.

Public Pays the Bill

SAGINAW, MICH., Dec. 7.—The insuring public is being made to "pay the shot" for "big-hearted juries" and "speed demons," the Saginaw Rotary Club was told by J. H. Egloff, Travelers' supervisor of field service. In discussing increased automobile rates, he pointed out that when a jury grants a man \$20,000 for a broken leg "just because the money will be paid by an insurance company," an immense disservice is done to the public, as such unfair judgments are inevitably reflected in rates. He further declared that excessive speed on the highways results in heavier automobile losses, 90 percent of the accidents being attributed to driving too fast.

"Fraud in Medico-Legal Practice" by Sir John Collie, price \$3.50. This is an important practical work for claim adjusters, dealing with accidents and illness. It is sold by The National Underwriter.

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WORKMEN'S COMPENSATION

Defend Texas Rate Increase

Companies Uphold Compensation Schedules at Hearing Before Insurance Commission in Dallas

DALLAS, Dec. 7.—Casualty companies, defending compensation rate increases at a hearing here before the Texas insurance commission, claimed that even with the present increases the rates are still too low to give them a fair return on the business.

Speaking as counsel for the National Council on Compensation Insurance, Col. William Thompson of Dallas declared that since 1923 the companies have lost \$8,000,000 on compensation business in Texas.

Hugo Swan, counsel for the Dallas Manufacturers' Association, accused the companies of inefficiencies that resulted in losses and then continually running to the commission for increases in rates. Answering this, Colonel Thompson declared rates have always been too low. They are not even as high, he said, as they could be made by the commission under the law and the figures presented by the companies.

Although those objecting to the new rates represented a wide variety of industry, much of the protest came from the oil industry. Answering a charge that the companies are not inspecting in the oil fields as they should, Colonel Thompson declared that the figures filed with the commission show they are spending more than is required. Objectors to the rate increase complained that the companies had invaded the east Texas field during the wild days of its opening, had assumed all manner of risks, many of them resulting in losses, and then to remedy their condition sought rate increases.

Protests were also made by Dr. J. H. Connell, executive secretary Dallas Automotive Trades Association, and Julius Golman, speaking for the Texas baking industry.

Committee Named to Review Mining Rates in California

SAN FRANCISCO, Dec. 7.—A. M. Brown, Jr., of the general agency of Edward Brown & Sons, San Francisco, and J. C. Chandler of the California Casualty Indemnity Exchange are members of a committee of 15 appointed by Governor Rolph following a conference in Sacramento on compensation rates in the mining industry in California.

At the meeting, called by Governor Rolph to seek some solution for the high rates in that industry, representatives of the insurance department, California Inspection Rating Bureau, industrial accident commission and state compensation fund spoke on the insurance angle.

An increase of 86 cents in the mining rate will take effect Jan. 1, raising the rate from \$10.99 to \$11.85.

The committee will study the situation and is expected to bring in suggested amendments to the compensation laws for consideration by 1933 legislation.

Hospital Records Extracted

W. L. Chamberlin, Jr., independent adjuster of Kansas City, has issued a warning to compensation carriers to verify through the Rolla, Mo., hospital any records from that hospital in connection with compensation claims. Several hospital forms have been extracted from the Rolla hospital and one of them has been used in making a fake claim, according to Mr. Chamberlin. The adjuster reports that two doctors of the Rolla hospital were approached

recently to make a fake operation sheet, a split in the money to be received from the compensation carrier being promised. This, the doctors refused to do. That same night, several hospital forms disappeared. Later a completed operative sheet was received by the compensation company with a request that a check be issued in payment thereof.

Employers, Insurers, Labor Agree on Oklahoma Changes

TULSA, OKLA., Dec. 7.—At the meeting here of the committee named to prepare a final draft of a new Oklahoma compensation law, no opposition was made to increases in certain awards, notably for legs, hands and hearing, and an increase of the permanent total award to 415 weeks. In numerous other cases the amounts of compensation were increased. It is also proposed to establish procedure for fixing attorneys' fees to make it possible for carrier and workman to effect a settlement which will be final, and to limit the period within

which cases may be reopened after one award has been made.

It is also proposed to eliminate the industrial commission's inspectors, and to increase the commission itself from three to five. The procedure will be for the cases to be heard in the first instance by a commissioner who will render an immediate decision, and from his decision an appeal will lie to the full commission. The proposal of the insurance men was for an appeal from awards of the commission to the district courts, but it is felt that the method suggested by the committee will be equally satisfactory.

It is felt that a bill which has the joint backing of employers, carriers and labor will have a very good chance of becoming a law. Certainly the bill in its tentative form will make Oklahoma a far more attractive state compensation-wise than it is now.

COMMITTEE ENDS WORK

OKLAHOMA CITY, Dec. 7.—Practically all available information has been assembled by the committee appointed by the governor to investigate the workmen's compensation insurance situation in Oklahoma and a meeting will be called in a few days to compile a report and recommendations for cor-

recting any unfair condition or legislation that may be found to exist, Chairman W. A. Murphy announced. Among the important matters to receive special consideration at the meeting is a draft of the new compensation law prepared by a committee representing the Associated Industries of Oklahoma, the insurance fraternity and others interested.

Departure in Rate Making

NEW YORK, Dec. 7.—Filing of compensation rates for occupational diseases by the National Council on Compensation Insurance, effective Dec. 31 in all non-regulated states, marks a departure in casualty rate-making and was compelled by the considerable number of claims submitted to the carriers in recent months for injuries allegedly resulting from occupational hazards. The conviction is general that many of the claims are due to existing unemployment conditions and the desire of former workers to collect for any ailment that in any degree might be attributed to previous occupations. Though convinced that a considerable percentage of such claims are wholly without merit it is difficult to disprove them, particularly when they are pushed on behalf of claimants by skilled lawyers pleading before sympathetic boards or juries.



THE country is emerging from the depression of the past three years, just as it has emerged from other periods of economic readjustment.

The American Surety Group pays tribute to the loyalty and untiring effort of insurance agents who have contributed to the recovery, and extends to them cordial greetings of the season and best wishes for the New Year.

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PERSONALS

K. G. Pringle, superintendent Zurich head office claim department in Chicago, who is on a tour of the south, visited Richmond last week. He was accompanied by J. R. English, special agent, who supervises Virginia as well as a number of other states.

Hal H. Smith, president Central West Casualty, has been made chairman of a group appointed by Mayor Murphy of

Detroit to study the tax situation. The committee will propose means of securing about two-thirds of the 1932 city tax, which is yet unpaid.

John J. Jones, 47, treasurer and a director of the National Masonic Provident, Mansfield, O., died a few days ago after a short illness.

Miss Ceil O'Connell, cashier at the home office of the Mutual Benefit Health & Accident of Omaha, won the Ak-Sar-Ben Derby there and the \$500 main prize, as a result of selling the most tickets for the Ak-Sar-Ben circus. Miss

Miriam Leigh, Guarantee Mutual Life, was third and received a prize of \$150.

Casualty Field Changes

Garner Now Superintendent

Advanced by Great American Indemnity in New York to Succeed the Late J. W. Powers

L. S. Garner has been advanced from assistant superintendent to superintendent of the bonding department of the New York metropolitan branch of the Great American Indemnity. He succeeds the late J. W. Powers. Mr. Garner started with the Empire State Surety in 1906 and since has been connected with the Casualty Company of America, Royal Indemnity, London & Lancashire Indemnity, Hartford Accident, Shevlin agency of the Detroit Fidelity & Surety, Metropolitan Casualty, Independence Indemnity and Packard, Houghton & Smith.

W. H. Duff Is Manager

W. H. Duff, manager of the bonding department of Hoey & Ellison, has been appointed manager of the fidelity and surety department of the Employers Liability and American Employers. Duff at one time was New York manager for the surety department of the Royal Indemnity, then was connected with the Independence Indemnity before taking his position with Hoey & Ellison, who represent the Massachusetts Bonding. Mr. Duff is a member of the executive committee of the Surety Underwriters Association of the City of New York.

Open Chicago Service Office

The Consolidated Indemnity is preparing to open a service office in Chicago, probably next week, with F. R. MacGibney as manager. The office will be located in the Insurance Center building. Mr. MacGibney will be assisted by D. C. Anderson as claims manager. Mr. MacGibney formerly was a special agent of the Transportation Indemnity operating out of Rockford, Ill. The Transportation Indemnity was taken over by the Consolidated in April.

Lodding New State Agent

Harry Lodding, a well known casualty man in Chicago, has been appointed Illinois state agent of the Western & Southern Indemnity with headquarters in the office of Miles & Miles of Chicago, metropolitan and Lake county general agents. Mr. Lodding formerly was connected with the Employers Liability, and before that for some years operated his own brokerage office.

John H. Loerch in New Post

John H. Loerch, manager of the western department of the Public Indemnity with headquarters in Chicago, has resigned to join the Western & Southern Indemnity at Detroit.

Joins North America Group

Dan F. Brown has been appointed Indiana state agent of the Indemnity of North America and Alliance Casualty, succeeding H. A. Meissel, who is transferred to Atlanta. Mr. Brown has been representing the Home Indemnity in a like capacity in Indiana.

Attacks Compulsory Cover

MANITOWOC, WIS., Dec. 7.—"Compulsory liability insurance would force approximately 80 percent of the automobile owners to assume an additional annual expense of \$600,000,000 in order that only one out of every ten injured persons might have a better chance of being paid for his injury," T. J. Hoffman of the Lindstedt-Hoffman Co. agency of Manitowoc told members of the local Rotary Club.

He said compulsory insurance would encourage fraudulent claims, and every accident will mean a possible damage suit because of the assurance of collecting the claim in the event that a favorable verdict is obtained.

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Journal of Commerce, New York

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Older men will find that Mr. Crawford's book will co-ordinate and organize their general understanding into definite ideas and channels. They will find the reading of "THE BACKGROUND OF FIRE INSURANCE" a joy because of the opportunity to compare their own conclusions with those of one of the best known and highly competent observers of the business. Young men will find many passages that will be worth much to them in avoiding pitfalls, knowledge of which older executives have paid for by bitter experience.

Basic Facts—Clearly Interpreted

It is difficult to think of anyone who wants to have a clear interpretation of the fire insurance business being without Mr. Crawford's new book. Much of what he says has come to him from direct personal observation and conversation. He has had a personal opportunity to check up on its validity by discussion with the company executives and the agents as well as the bureau managers, who have directed the fire insurance business during the past 35 years.

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No matter where a man may be in the fire insurance business, whether in a local agency, the position of special agent, in the adjustment bureau, in the rating organization, in a public supervisory position or in the home office, he will find it profitable to take a look at "THE BACKGROUND OF FIRE INSURANCE" through the eyes of Mr. Crawford. It will help him directly in his own business, particularly in keeping suggestions for changes affecting the relations among the various parts of the business on a sound and solid foundation.

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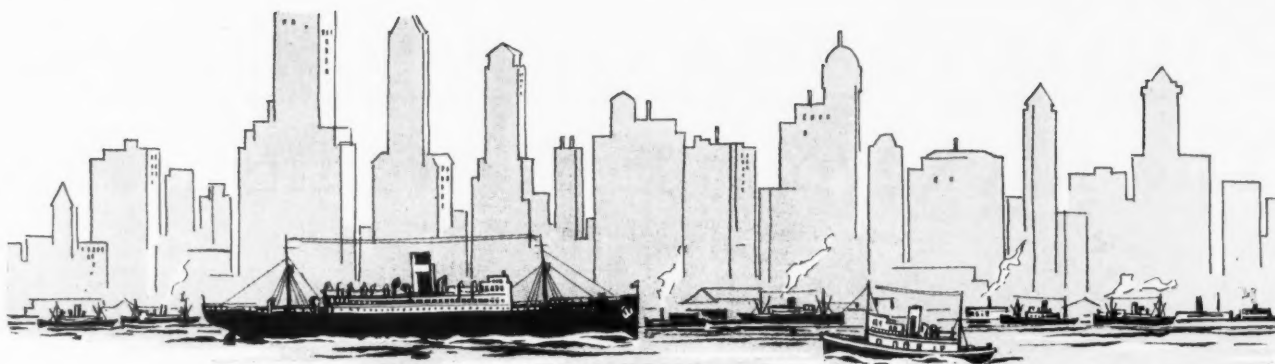
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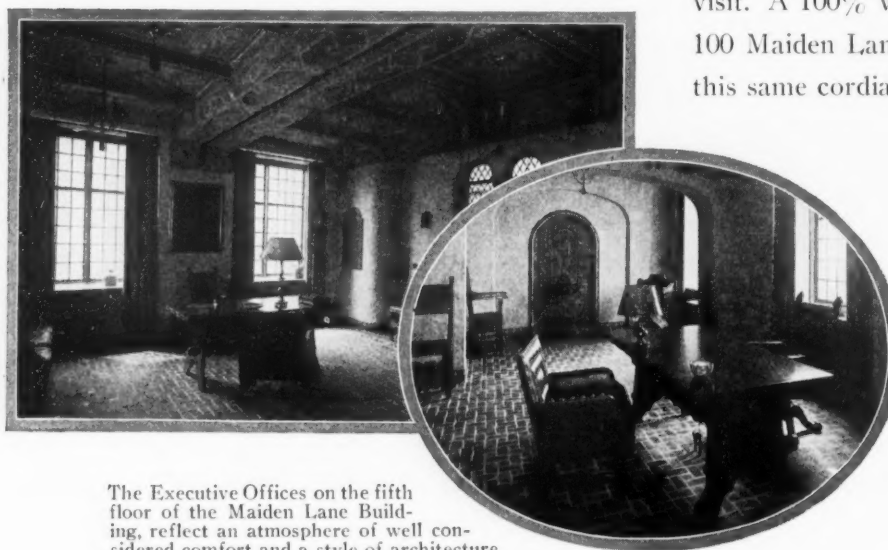
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